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**State:** District of Columbia **First Filing Company:** Crum & Forster Indemnity Company, ...  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** 2019 Commercial Property Manual Form/Rule Filing  
**Project Name/Number:** /

## Filing at a Glance

Companies: Crum & Forster Indemnity Company  
The North River Insurance Company  
United States Fire Insurance Company

Product Name: 2019 Commercial Property Manual Form/Rule Filing

State: District of Columbia

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Rule

Date Submitted: 11/12/2019

SERFF Tr Num: CRUM-132148323

SERFF Status: Submitted to State

State Tr Num:

State Status:

Co Tr Num: 2019 PROPERTY MANUAL R

Effective Date 02/01/2020

Requested (New):

Effective Date 02/01/2020

Requested (Renewal):

Author(s): Joanna Hwang

Reviewer(s):

Disposition Date:

Disposition Status:

Effective Date (New):

Effective Date (Renewal):

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## General Information

Project Name: Status of Filing in Domicile:  
Project Number: Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 11/12/2019  
State Status Changed: Deemer Date:  
Created By: Joanna Hwang Submitted By: Joanna Hwang  
Corresponding Filing Tracking Number: CRUM-132148159

### Filing Description:

On behalf of the listed companies, we are submitting the manual which have updated. We are withdrawing Rules that no longer apply or are no longer in use.

In a companion Forms filing, we are withdrawing the applicable forms that pertain to these Rules that are being withdrawn.

This is for rule filing. Our corresponding form filing will be submitted separately.

Please refer to the Explanatory Memorandums which provide further details.

If you have any questions, please feel free to contact me.

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Crum & Forster  
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t + 1.973.490.6724  
Joanna.hwang@cfins.com | www.cfins.com

## Company and Contact

### Filing Contact Information

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Morristown, NJ 07962

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**Filing Company Information**

Crum & Forster Indemnity  
Company  
305 Madison Avenue  
Morristown, NJ 07960  
(973) 490-6600 ext. [Phone]

CoCode: 31348  
Group Code: 158  
Group Name:  
FEIN Number: 22-2868548

State of Domicile: Delaware  
Company Type:  
State ID Number:

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The North River Insurance  
Company  
305 Madison Avenue  
Morristown, NJ 07960  
(973) 490-6600 ext. [Phone]

CoCode: 21105  
Group Code: 158  
Group Name:  
FEIN Number: 22-1964135

State of Domicile: New Jersey  
Company Type:  
State ID Number:

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United States Fire Insurance  
Company  
305 MADISON AVENUE  
MORRISTOWN, NJ 07962  
(973) 490-6600 ext. [Phone]

CoCode: 21113  
Group Code: 158  
Group Name:  
FEIN Number: 13-5459190

State of Domicile: Delaware  
Company Type:  
State ID Number:

**Filing Fees**

Fee Required? No  
Retaliatory? No  
Fee Explanation:

<b>SERFF Tracking #:</b>	CRUM-132148323	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	2019 PROPERTY MANUAL R
<hr/>					
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## Rate Information

Rate data does NOT apply to filing.

<b>SERFF Tracking #:</b>	CRUM-132148323	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	2019 PROPERTY MANUAL R
<b>State:</b>	District of Columbia	<b>First Filing Company:</b>	Crum & Forster Indemnity Company, ...		
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<b>Project Name/Number:</b>	/				

## Rate/Rule Schedule

State: District of Columbia

First Filing Company:

Crum &amp; Forster Indemnity Company, ...

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: 2019 Commercial Property Manual Form/Rule Filing

Project Name/Number: /

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Table of Contents		Replacement		0_CW_Table of Contents_Clean.pdf
2		Rule 8		Replacement		Rule 8_Policywriting Minimum Premium_Clean.pdf
3		Rule 9		Replacement		Rule 9_Additional Premium Changes_Clean.pdf
4		Rule 10		Replacement		Rule 10_Return Premium Changes_Clean.pdf
5		Rule 54		Replacement		Rule 54_Common Time Element Options_Clean.pdf
6		Rule 80		Replacement		Rule 80_Individual Risk Premium Modification Plan_Clean.pdf
7		Rule 81		Replacement		Rule 81_Deductible Insurance Plan_Clean.pdf
8		Rule 86		Replacement		Rule 86_Reserved For Future Use_Clean.pdf
9		Rule 150		Replacement		Rule 150_Earlier Notice of Cancellation and Non-renewal Provided by Us_Clean.pdf
10		Rule 151		Replacement		Rule 151_Multiple Location Premium And Dispersion Credit Plan_Clean.pdf
11		Rule 152		Replacement		Rule 152_Excess Property Insurance_Clean.pdf
12		Rule 153		Replacement		Rule 153_Large Property Rating Plan_Clean.pdf
13		Rule 154		Replacement		Rule 154_Winery Coverage_Clean.pdf
14		Rule 155		Replacement		Rule 155_Gold Equipment Breakdown Enhancement Endorsement_Clean.pdf
15		Rule 156		Replacement		Rule 156_Property Coverage (Fairmont Ext Endorsements)_Clean.pdf
16		Rule 157		Replacement		Rule 157_Agricultural

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						Property_Clean.pdf
17		Rule 158		Replacement		Rule 158_Craft Beverage Program_Clean.pdf
18		Rule 159		Replacement		Rule 159_Hotel Segment Property Coverage_Clean.pdf
19		Rule 160		Replacement		Rule 160_Gold Choice Property Enhancement Endorsement_Clean.pdf
20		Rule 161		Replacement		Rule 161_Social Services and Youth Servicing Organizations Program_Clean.pdf
21		Rule 162		Replacement		Rule 162_Manufacturers' Property Coverage Extension Endorsement_Clean.pdf
22		Rule 163		Replacement		Rule 163_Utility Services - Time Element Cov With Opt Waiting Periods End_Clean.pdf
23		Rule 164		Replacement		Rule 164_Utility Services - Direct Damage - Alternate Deductible Option Endorsement_Clean.pdf
24		Rule 165		Replacement		Rule 165_Spoilage Coverage - Alternate Deductible Option Endorsement_Clean.pdf
25		Rule 166		Replacement		Rule 166_Miscellaneous Unnamed Location Coverage Extension Endorsements_Clean.pdf
26		Rule 167		Replacement		Rule 167_Business Income Changes_Ingress or Egress Coverage_Clean.pdf
27		Rule 168		Replacement		Rule 168_Windstorm or Hail Percentage Deductibles With a Minimum Deductible_Clean.pdf
28		Rule 169		Replacement		Rule 169_Blanket Limit of Insurance Per Location Endorsement_Clean.pdf
29		Rule 170		Replacement		Rule 170_Covered Property Changes - Stock

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						Endorsement_Clean.pdf
30		Rule 171		Replacement		Rule 171_Schedule Addendum_Clean.pdf
31		Rule 172		Replacement		Rule 172_Earlier Notice Of Canc Or Nonren With a Courtesy Notice To a Third Party_Clean.pdf
32		Rule 173		Replacement		Rule 173_Third Party Notice Of Cancellation Or Nonrenewal_Clean.pdf
33		Rule 1		Withdrawn		Rule 1. XXX_Deductible Plan_WD.pdf
34		Rule 4		Withdrawn		Rule 4. XXX_Public and Institutional Property Plan_WD.pdf
35		Rule 21		Withdrawn		Rule 21. XXX_Common Policy Conditions_WD (Already WD_project 97).pdf
36		Rule 22		Withdrawn		Rule 22_Building and Personal Property Full Value Coverage_WD.pdf
37		Rule 30		Withdrawn		Rule 30_Building_WD.pdf
38		Rule 35		Withdrawn		Rule 35_Flood Endorsement_WD.pdf
39		Rule 36		Withdrawn		Rule 36_Elevator Collision_WD.pdf
40		Rule 38		Withdrawn		Rule 38_Partial Proof of Loss_WD.pdf
41		Rule 38		Withdrawn		Rule 38_XXX_Ordinance or Law Coverage_WD.pdf
42		Rule 65		Withdrawn		Rule 65_Garagekeepers Coverage_WD (Already WD_project 97).pdf
43		Rule 67		Withdrawn		Rule 67_Fuel Oil Dealers Extension Endorsement_WD.pdf
44		Rule 68		Withdrawn		Rule 68_Difference in Conditions Coverage_WD.pdf
45		Rule 69		Withdrawn		Rule 69_Affinity Group Rule_WD.pdf



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46		Rule 72		Withdrawn		Rule 72_Causes of Loss - Special Form (XXX_Causes of Loss - Deluxe Form)_WD.pdf
47		Rule 72		Withdrawn		Rule 72_Mold Builders Program_WD.pdf
48		Rule 73		Withdrawn		Rule 73_Causes of Loss - Earthquake Form_WD.pdf
49		Rule 74.F		Withdrawn		Rule 74.F._Other Causes of Loss Forms_WD.pdf
50		Rule 76		Withdrawn		Rule 76_Pizza Hut Restaurant Program_WD (Already WD_project 97).pdf
51		Rule 77		Withdrawn		Rule 77_Pollutant Liability Coverage For On Site Pollution_WD (Already WD_project 97).pdf
52		Rule 78		Withdrawn		Rule 78_Parking Garage Program_WD (Already WD_project 97).pdf
53		Rule 81		Withdrawn		Rule 81_Fraternal Organization Extension Endorsement_WD (Already WD_project 97).pdf
54		Rule 82		Withdrawn		Rule 82_Custom Deluxe Coverage Form_WD (Already WD_project 97).pdf
55		Rule 83		Withdrawn		Rule 83_Manufacturers Enhancements_WD (Already WD_project 97).pdf
56		Rule 84		Withdrawn		Rule 84_Care Providers Protection Program_WD.pdf
57		Rule 86		Withdrawn		Rule 86_Utility Property Coverages_WD.pdf
58		Rule 88		Withdrawn		Rule 88_Agricultural Special Products_WD.pdf
59		Rule 96		Withdrawn		Rule 96_XXX_Manufacturers Segment Coverage_WD.pdf
60		Rule 97		Withdrawn		Rule 97_XXX_Commercial Residential Real Estate Segment_WD.pdf

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61		Rule 98		Withdrawn		Rule 98_Agricultural Segment_WD.pdf
62		Rule 101		Withdrawn		Rule 101_XXX_Rural Telecommunications Providers Program_WD.pdf
63		Rule 75 - DC		Withdrawn		DC_Rule 75._11 states_WD.pdf
64		DC Table of Contents		Replacement		0_DC_Table of Contents_Clean.pdf
65		DC Loss Cost Multipliers		Replacement		Loss Cost Multipliers.pdf
66		DC Manual		Replacement		DC_Manual.pdf
67		DC Rule 167		New		Rule 167_Business Income Changes_Ingress or Egress Coverage.pdf
68		DC Rule 80		New		Rule 80_Individual Risk Premium Modification Plan.pdf

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
TABLE OF CONTENTS  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**COUNTRYWIDE COMPANY EXCEPTIONS**

<b><u>RULE NO.</u></b>		<b><u>PAGE NO.</u></b>
8	Policywriting Minimum Premium	CP-CW-RU-8-1
9	Additional Premium Changes	CP-CW-RU-9-1
10	Return Premium Changes	CP-CW-RU-10-1
54	Common Time Element Options	CP-CW-RU-54-1:2
80	Individual Risk Premium Modification Plan	CP-CW-RU-80-1
81	Deductible Insurance Plan	CP-CW-RU-81-1
86 - 149	Reserved For Future Use	CP-CW-RU-86-1
150	Earlier Notice of Cancellation and Non-renewal Provided By Us	CP-CW-RU-150-1
151	Multiple Location Premium and Dispersion Credit Plan	CP-CW-RU-151-1:3
152	Excess Property Insurance	CP-CW-RU-152-1
153	Large Property Rating Plan	CP-CW-RU-153-1:4
154	Winery Coverage	CP-CW-RU-154-1:2
	Gold Equipment Breakdown Coverage Enhancement	
155	Endorsement	CP-CW-RU-155-1:7
156	Property Coverage	CP-CW-RU-156-1:2
157	Agricultural Property	CP-CW-RU-157-1
158	Craft Beverage Program	CP-CW-RU-158-1:2
159	Hotel Segment Property Coverage	CP-CW-RU-159-1:3
160	Gold Choice Property Enhancement Endorsement	CP-CW-RU-160-1
161	Social Services and Youth Servicing Organizations Program	CP-CW-RU-161-1:3
162	Manufacturers' Property Coverage Extension Endorsement	CP-CW-RU-162-1:2
	Utility Services – Time Element With Optional Waiting Periods	
163	Endorsement	CP-CW-RU-163-1
	Utility Services – Direct Damage – Alternate Deductible Option	
164	Endorsement	CP-CW-RU-164-1
165	Spoilage Coverage – Alternate Deductible Option Endorsement	CP-CW-RU-165-1:2
	Miscellaneous Unnamed Location Coverage Extension	
166	Endorsements	CP-CW-RU-166-1:2
167	Business Income Changes – Ingress or Egress Coverage	CP-CW-RU-167-1
	Windstorm or Hail Percentage Deductibles With a Minimum	
168	Deductible	CP-CW-RU-168-1:2
169	Blanket Limit of Insurance Per Location Endorsement	CP-CW-RU-169-1
170	Covered Property Changes – Stock Endorsement	CP-CW-RU-170-1
171	Schedule Addendum	CP-CW-RU-171-1
	Earlier Notice of Cancellation or Nonrenewal With a Courtesy	
172	Notice To a Third Party	CP-CW-RU-172-1
173	Third Party Notice of Cancellation or Nonrenewal	CP-CW-RU-173-1

COMPANY EXCEPTIONS

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**RULE 8. POLICYWRITING MINIMUM PREMIUM**

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Paragraphs **A.** and **B.** are replaced by the following:

- A.** For prepaid policies, the policywriting minimum premium shall be \$100.
- B.** For annual premium payment plan policies or continuous policies, the policywriting minimum premium shall be \$100.

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**RULE 9. ADDITIONAL PREMIUM CHANGES**

---

Paragraphs **A.** and **B.** are replaced by the following:

**A. Calculation of Premium**

1. Prorate all changes requiring additional premium.
2. In computing the additional premium for:
  - a. Any changes made to a location included at policy inception, use the rates and rules in effect on the effective date of the policy. If the changes are made after an anniversary date of the policy, use the rates and rules in effect on that anniversary date.
  - b. Locations which are added after policy inception (including all coverages, options and causes of loss at that location) use the rates and rules in effect on the effective date of the policy.

**B. Waiver of Premium**

Waive additional premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.

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**RULE 10. RETURN PREMIUM CHANGES**

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Paragraph **B.** are replaced by the following:

**B. Waiver of Premium**

Waive additional premium of \$15 or less. However, any return premiums required by the insured must be granted.

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**RULE 54. COMMON TIME ELEMENT OPTIONS**


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The following are added to Rule 54.:

**AA. Business Income Changes – Actual Loss Sustained**

**1. Description of Coverage**

The Business Income (and Extra Expense) Coverage Form **CP 00 30** may be amended to provide coverage on an actual loss sustained basis with different periods of restoration.

**2. Forms**

Use one of the following forms:

- a. **MF 25 001** – Business Income Changes – Actual Loss Sustained 12 Month Period of Restoration;
- b. **MF 25 002** – Business Income Changes – Actual Loss Sustained 15 Month Period of Restoration;
- c. **MF 25 003** – Business Income Changes – Actual Loss Sustained 18 Month Period of Restoration; or
- d. **MF 25 004** – Business Income Changes – Actual Loss Sustained 24 Month Period of Restoration.

**3. Premium Determination**

To provide coverage on an actual loss sustained bases, apply the following procedure:

- a. Multiply the base rates by the appropriate 100% coinsurance percentage factor in **Table 50.E.3.b.#1 Business Income (and Extra Expense) Rate Factors** to obtain the Business Income rates.
- b. Business Income (and Extra Expense) Coverage written on an actual loss sustained basis should be rated by determining an appropriate limit, which normally would be the annual sales of the insured. Multiply the annual sales by the appropriate factor in **Table 54.AA.3.b. Actual Loss Sustained Factors**:

Industry	Factor
Apartments	0.60
Condominiums	0.60
Building Lessor's Risk	0.60
Offices	0.60
Restaurants	0.50
Stores	0.30
Business Services	0.50
Manufacturing	0.65
Wholesale	0.25

**Table 54.AA.3.5. Actual Loss Sustained Factors**

- c. Then, multiply the Business Income rate, as determined in **a.** above, by the amount determined in **b.** above, in hundreds, to determine the Actual Loss Sustained premium.
- d. Lastly, apply the appropriate factor from **Table 54.AA.3.d. Period of Restoration Factors** to the resulting premium, as determined on **c.** above, based on the period of restoration.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

Period of Restoration	Factor
12 Months	1.000
15 Months	1.040
18 Months	1.070
24 Months	1.140

**Table 54.AA.3.d. Period of Restoration Factors**

**BB. Business Income Changes – Time Period**

**1. Description of Coverage**

The Business Income (and Extra Expense) Coverage Form, **CP 00 30** and the Business Income (Without Extra Expense) Coverage Form, **CP 00 32** may be amended to provide that the 72-hour time period contained in the "period of restoration" definition and in the Civil Authority additional coverage is deleted.

**2. Form**

Use **FM 600.0.1038**, Business Income Changes – Time Period Endorsement.

**3. Rate Modification**

Multiply the time element rate by a factor of 1.07.



**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 80. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN**


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Rule **80.** is replaced by the following:

**A. Eligibility**

This plan may be applied to any policy which develops a total premium of \$500 or more before the application of this plan for Commercial Property Coverages.

**B. Rating Procedure**

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modifications (if a credit) shall be increased or (if a debit) decreased by the amount of reduction in expense. The total credits or debits under the following table may not exceed 25%.

<b>INDIVIDUAL RISK PREMIUM MODIFICATION PLAN</b>			
<b>Risk Characteristics</b>		<b>Range of Modifications</b>	
		<b>Credit</b>	<b>Debit</b>
<b>A. Management</b> Cooperation in matters of safeguarding and proper handling of property coverage.		<b>15%</b>	<b>15%</b>
<b>B. Location</b> Accessibility and environment.		<b>7%</b>	<b>7%</b>
<b>C. Building Features</b> Age, condition and unusual structural features.		<b>15%</b>	<b>15%</b>
<b>D. Premises and Equipment</b> Care, condition and type.		<b>5%</b>	<b>5%</b>
<b>E. Employees</b> Selection, training, supervision and experience.		<b>3%</b>	<b>3%</b>
<b>F. Protection</b> Not otherwise recognized.		<b>5%</b>	<b>5%</b>

**C. Special Conditions**

This plan shall be applied after the application of all other rating procedures.

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**RULE 81. DEDUCTIBLE INSURANCE PLAN**

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The following is added to Rule 81. and is applicable to the **Grocers' Program** in the **Retail & Wholesale Goods Business Segment** only:

**Grocers' Program Deductible Plan**

**AA. Description of Plan**

This plan provides a method of determining rates for writing property coverage with higher deductibles (\$1,000 minimum to a \$50,000 maximum) on eligible covered property. (Refer to Rule 81.B. for a description of ineligible properties.)

**BB. Rules**

Refer to Rule 81.C.

**CC. Forms**

Refer to Rule 81.D.

**DD. Rate Modification**

**1. Deductible Factor Determination**

Refer to Rule 81.E.1.

**2. Rate Modification**

Refer to Rule 81.E.2.

**3. Factors For Deductible Coverage**

Use the following factors for the appropriate deductible amount for Basic Group I, Basic Group II and Other Causes of Loss:

<b><u>Deductible Amount</u></b>	<b><u>Factor</u></b>
\$500	1.00
\$1,000	0.87
\$2,500	0.84
\$5,000	0.79
\$10,000	0.74
\$25,000	0.67
\$50,000	0.62

**Table 81.DD.3. Deductible Factors**

**COUNTRYWIDE**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**86. – 149. RESERVED FOR FUTURE USE**

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**RULE 150. EARLIER NOTICE OF CANCELLATION AND NON-RENEWAL PROVIDED BY US**

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**A. Eligibility**

This endorsement can be added to any risk that meets our minimum underwriting requirements, on the basis of our mutual agreement with the insured. It is not mandatory.

**B. Form**

Earlier Notice of Cancellation and Non-Renewal Provided By Us, **FM 303.0.14**.

**C. Premium**

There is no premium charge.

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**RULE 151. MULTIPLE LOCATION PREMIUM AND DISPERSION CREDIT PLAN**

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**A. Explanation**

This Plan develops a special rating credit in recognition of dispersal of risk and loss experience. It may be applied to:

1. Buildings only;
2. Personal property only;
3. Combined buildings and personal property; or
4. Business income in combination with the buildings and/or personal property.

**B. Coinsurance**

Minimum 90% or full reporting clause, except 25% for sprinkler leakage.

**C. Rules**

1. Who may be insured:
  - a. If there is substantially common ownership, actual management and operating control by the named interests:
    - (1) An individual, partnership, factor or corporation, or any combination of these.
    - (2) Federal, state, county or municipal governments and their divisions or agencies.
    - (3) Schools, churches, hospitals and similar organizations.
  - b. Cooperative organizations or associations incorporated under the laws of their respective states which have title to the property covered.  
(Note: Nothing in this rule is to be construed as making eligible for coverage cooperative organizations or associations wherein title to the property remains in the individual members of the cooperative organization or association.)
  - c. A single lessee, where all the property covered is leased and the lease conditions require the lessee to maintain the insurance.
  - d. The same owner(s) or lessee(s) (named as insureds), whose respective interests are identical in each and every property covered, provided all such property is owned, or leased as described in **c.** above. This paragraph may be applicable to property held in trust and to any other situation where the legal beneficial interests in property are separately held, subject to the preceding sentence.
  - e. A single individual, or a husband and wife, or a corporation, or a partnership named as insured and herein called the parent, having substantial ownership, actual management and operating control of one or more corporations or partnerships named as all of the property covered is owned, or leased as described in **c.** above, by one or more of the subsidiaries or by one or more of the subsidiaries and the parent, regardless of whether the interests of the subsidiaries and the parent are identical in each and every such property.

**D. General**

1. The credits developed herein, are mandatory with respect to coverage for Building(s), Contents, Business Personal Property, and other forms of property insurance.
2. The credits of this Plan apply to all premiums applicable to property coverages and insured perils premium of \$2,500 or more.  
(Note: \$2,500 qualifying premium is the premium after application of all other applicable credits.)

**E. Eligibility**

An account may be subject to the credit provisions of this Plan if it comprises three or more locations, provided the basic premiums exceed \$2,500 per year; and

1. The sum of the values elsewhere than at the principal location amounts to as much as 10% of the total values at all locations; or

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

2. The value at any one location other than the principal location amounts to as much as \$50,000.  
A seasonal location shall not be considered as a qualifying location.

**F.** Definition of location is defined in Rule 23., Fire & Allied Lines, Division Five, Commercial Lines Manual.

**G. Ineligibility**

**1. Properties**

- a. Buildings in the course of construction;
- b. Dwellings, unless insured as part of a risk otherwise eligible under this Plan, or if part of an apartment or condominium complex;
- c. Farm property;
- d. Railroad property;
- e. Any risk rated under the following or any other plan providing rate credits recognizing premium size, risk dispersal or account loss ratio:
  - (1) Petroleum Properties Schedule;
  - (2) Petroleum Plants Schedule;
  - (3) Public Utility Electric Generating Stations Schedule;
  - (4) Public Utility Natural Gas Pumping Station;
  - (5) Rating Plan for Highly Protected or Superior Risks; and
- f. Lumber yards.

**2. Business Income**

Dependent locations whose business income would be affected by a loss to another location upon whose products or services it depends.

**H. Insurance That May Not Be Rated Under This Policy**

1. Burglary;
2. Collapse;
3. Earthquake;
4. Flood; and
5. Water Damage.

(Note: This does not preclude coverage against any of these perils included in any optional named peril or broad perils form.)

**I. Premium subject to credit shall be developed as follows:**

Multiply the value for each item of coverage at each location by the annual base property rates. To this premium, apply any other applicable credit.

1. A minimum of 90% to value for each building and/or contents item of coverage shall apply.
2. Credit under this Plan shall apply multiplicatively after application of all other credit(s).
3. Credit developed under the Plan may be applied to building coverage if written blanket.
4. Credit developed under the Plan shall not apply to contents coverage when written blanket.

**J. To determine the amount of premium and dispersion credit:**

Obtain the applicable credit factor from the table that follows.

1. Total number of locations of risk.
2. Total number of independent locations (with respect to operations) - only needed when applying to Business Income.
3. Total building and personal property values of 1. above.
4. Total building and personal property values for independent locations 2. above - only needed when applying to Business Income.
5. Largest value of any one location of 1. above.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

6. Largest value of any one location of independent locations **2.** above - only needed when applying to Business Income.
7. Percent of maximum location to total (divide **5.** by **3.**)
8. Percent of independent locations only maximum location to total (divide **6.** by **4.**) - only needed when applying to Business Income.
9. Determine credit for Building and Personal Property - use **Table 1** based on items **1.** and **7.** above.
10. To determine credit for Business Income - use **Table 1** based on items **2.** and **8.** above.
11. Total three year premiums for F, EC, AOP for Building, Personal Property and Business Income.
12. Total three year losses for F, EC, AOP for Building, Personal Property and Business Income.
13. Three year loss ratio (divide item **12.** by **11.**)
14. Determine Loss Ratio Modifier - use **Table 2** based on item **13.**
15. Building and Personal Property modified credit (multiply **9.** by **14.**) - this credit is applied to Building and Personal Property.
16. Business Income modified credit (multiply **10.** by **14.**) - this credit is applied only to Business Income and only to the eligible independent locations.

**TABLE 1**

**PREMIUM AND DISPERSION CREDIT TABLE  
MAXIMUM PERCENTAGE OF NET AVERAGE VALUE AT ANY ONE LOCATION**

Number of Locations	Less than 21% Credit	21% but less than 31% Credit	31% but less than 41% Credit	41% but less than 51% Credit	51% and over Credit
Less than 3	0.000	0.000	0.000	0.000	0.000
3 - 5	8.000	6.000	3.000	2.000	0.000
6 - 10	19.000	10.000	6.000	4.000	2.000
11 - 15	22.000	12.000	10.000	5.000	3.000
16 - 20	25.000	18.000	12.000	6.000	4.000
21 & over	30.000	20.000	15.000	8.000	5.000

**TABLE 2****LOSS RATIO MODIFIER**

<u>Loss Ratio</u>	<u>Modifier</u>
0 - 15%	1.000
16 - 25%	0.850
26 - 35%	0.750
36 - 45%	0.550
46 - 55%	0.400
56%+	0.200

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**RULE 152. EXCESS PROPERTY INSURANCE**

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**A. Description**

These endorsements are used when participating on coverage in a portion of a layer or a layer of risk and following form, terms and conditions of the primary carrier.

**B. Form**

Use **CP 01** Excess Property Insurance - provides terms of coverage and **CP 02** Excess Property Endorsement - Schedule form to show participation in layers.

**C. Eligibility**

Those risks that are layered, that we are participating on a portion of a layer or providing coverage for a layer that is part of the entire risk.



**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**RULE 153. LARGE PROPERTY RATING PLAN****A. Description**

This Rating Plan intends to enable a fair and flexible Company response to the individual and unique requirements of large commercial property insureds.

**B. Eligibility**

This Rating Plan may be used for all commercial property risks which are eligible for insurance under the applicable commercial insurance programs of the Company and:

1. Carry a property deductible of at least \$5,000; or
2. Have Total Insured Values of at least \$25,000,000; or
3. Contain 5 separate locations; or
4. Develop an annual manual monoline property premium of at least \$25,000.

**C. Terms and Conditions**

The terms and conditions of insurance provided in conjunction with this Rating Plan may be individually determined based upon the individual and unique characteristics, circumstances, exposures and insurance requirements of each risk.

**D. Premium Determination**

Premiums for risks written under this Rating Plan shall be judgmentally determined based upon the guidelines contained in the following tables of Base Rates and Base Rate Adjustment Factors, considered in relation to the specific characteristics and potential loss-producing qualities of each risk.

1. Premiums developed under this Rating Plan shall not be subject to further modification by other risk dispersion, experience, schedule or individual risk premium modification plans.
2. Company files will contain documentation of rationale for all risks rated under this Plan.

*Base Property Rates – All Perils - Buildings, Contents and Business Interruption Values*

<b>Group</b>	<b>Classes</b>	<b>Rate</b>
<b>Manufacturing</b>		
M1	Stone Products	.05
M2	Automakers, Ceramics, Glass Products, Metal Products	.075
M3	Frozen Food Products, Pharmaceutical Products	.11
M4	Bottlers, Breweries, Meat Packers Textile Mills	.125
M5	Canneries, Carpet Mills, Foundries, Plastic Products, Rubber Products	.175
M6	Agricultural Products, Clothing Products, Distilleries, Produce Processors, Paper Products, Wood Products	.25
M7	Chemicals, Essential Oils, Flour Mills, Gases, Petroleum Products, Reagents, Refineries	.35
<b>Non-Manufacturing</b>		
NM1	Banks, Hospitals, Museums, Parking Garages, Stadiums, Water Utilities	.03
NM2	Airports, Arenas, Malls, Municipal Buildings, Office Towers, Telecom Utilities	.05
NM3	Apartment Towers, Hotels, Laboratories, Nursing Homes	.08

## COUNTRYWIDE

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

NM4	Houses of Worship, Membership Clubs, Schools, Cold Storage Warehouses	.105
NM5	Auto Dealers, Condos, Retail Stores, Shopping Centers, Theaters	.15
NM6	Auto Repairs, Electric & Co-Gen Utilities, Garden Apartments, General Warehouses, Recyclers, Taverns, Wholesalers	.20
NM7	Arcades, Bowling Alleys, Granaries, Marinas, Night Clubs, Restaurants, Volatiles Dealers	.40

*Rate Group Exemplars**Physical Characteristics Expected by Base Rate Table*

Group	Construction	Public Protection	Private Protection
	<b>Manufacturing Classes</b>		
M1	3 Non Combustible	6 - 7	Non-Sprinklered
M2	3 Non Combustible	4 - 5	Sprinklered
M3	4 Masonry Non Combustible	4 - 5	Sprinklered
M4	5 Modified Fire Resistive	2 - 3	Sprinklered
M5	4 Masonry Non Combustible	5 - 6	Sprinklered
M6	4 Masonry Non Combustible	5 - 6	Sprinklered
M7	5 Modified Fire Resistive	3 - 4	Sprinklered
	<b>Non-Manufacturing Classes</b>		
NM1	6 Fire Resistive	1 - 2	Sprinklered
NM2	5 Modified Fire Resistive	1 - 2	Sprinklered
NM3	5 Modified Fire Resistive	3 - 4	Sprinklered
NM4	4 Masonry Non Combustible	5 - 6	Non-Sprinklered
NM5	3 Joisted Masonry	5 - 6	Non-Sprinklered
NM6	3 Joisted Masonry	6 - 7	Non-Sprinklered
NM7	1 Frame	7 - 8	Non-Sprinklered

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

## Base Rate Adjustment Factors

<b>Characteristics</b>	<b>Rationale</b>	<b>Mod Range</b>
Coverage Mix	Building values predominate TIV Business Interruption values predominate TIV	.85 - 1.00 1.00 - 1.15
Concentration Risk	Amount Subject = Low % of TIV Amount Subject = High % of TIV	.75 - 1.00 1.00 - 1.25
Severity Risk	PML = Low % of Amount Subject PML = High % of Amount Subject	.50 - 1.00 1.00 - 1.50
Frequency Risk	Decreasing annual claim: exposure trend Increasing annual claim: exposure trend	.90 - 1.00 1.00 - 1.10
Risk Experience	Unprofitable historic loss ratio	1.00 - 1.50
Catastrophe Risk	Exposed to low probability cat events Exposed to high probability cat events	.85 - 1.00 1.00 - 3.00
Construction Quality	Superior construction quality Inferior construction quality or mixture	.80 - 1.00 1.00 - 1.20
Occupancy Quality	Inferior occupancy mixture	1.00 - 1.15
Unique Hazards / Controls	Extraordinary control of hazards Extraordinary degrees of hazard	.75 - 1.00 1.00 - 1.25
Public Protection Quality	Superior protection grading Inferior protection grading	.80 - 1.00 1.00 - 1.20
Private Protection Quality	Superior sprinkler grading, redundant water supply Inferior sprinkler grading, inadequate water supply	.75 - 1.00 1.00 - 1.25
External Exposure Quality	Hazardous external exposure	1.00 - 1.10
Ordinance & Law Risk	No claim inflation expected from post-loss code upgrades Strong claim inflation expected from post-loss code upgrades	.90 - 1.00 1.00 - 1.10
Pollution Clean-Up Risk	No claim inflation expected from post-loss clean-up Strong claim inflation expected from post-loss clean-up	.90 - 1.00 1.00 - 1.10
Water & Sewer Risk	Concentration of low lying, damageable, values	1.00 - 1.05
Transit / Off-Premises Risk	Greater exposure than anticipated	1.00 - 1.025
Theft Risk	Concentration of high risk values	1.00 - 1.05
Manuscript Risk	Standard coverages withdrawn Non-standard coverages conveyed	.70 - 1.00 1.00 - 1.30
Deductibles	Exceptional deductibles applied higher than policy deductible Exceptional deductibles applied lower than policy deductible	.80 - 1.00 1.00 - 1.20
Sub-Limits	Exceptional perils sub-limited to lower than policy limit	.90 - 1.00
Loss Limits	Loss Limit applies as a low % of TIV Loss Limit applied as a high % of TIV	.50 - 1.00 .95 - 1.00

## COUNTRYWIDE

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

*Rate Range Against Minimum & Maximum Total Mods*

Group	Base Rate: \$100	@ Min .35 Mod	@ Max 4.0 Mod
M1	.05	.0175	.20
M2	.075	.0263	.30
M3	.11	.0385	.33
M4	.125	.0438	.50
M5	.175	.0613	.70
M6	.25	.0875	1.00
M7	.35	.1223	1.40
NM1	.03	.011	.12
NM2	.05	.0175	.20
NM3	.08	.028	.32
NM4	.105	.037	.42
NM5	.15	.053	.60
NM6	.20	.07	.80
NM7	.40	.14	1.60

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**RULE 154. WINERY COVERAGE**

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**A. Winery Property Coverage Enhancement Endorsement, FM 600.0.1234****1. Description**

The Winery Property Coverage Enhancement Endorsement provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package Policies (CMP) and/or Commercial Monoline Property Policies (Fire). It will be attached to winery risks when the policy also contains the Building and Personal Property Coverage Form (CP 00 10), the Business Income (and Extra Expense) Coverage Form (CP 00 30) and the Causes of Loss – Special Form (CP 10 30).

Coverage applies for each Enhancement shown in Section I. Schedule of Insurance, unless specifically excluded, as indicated by a checkmark in the "Coverage Excluded" box in the last column of Section I. Schedule. The underwriter may opt to exclude a particular Coverage Enhancement for reasons that may involve a risk with existing coverage elsewhere or a risk with exposures greater than those anticipated by this optional endorsement, for which no premium charge is made.

**2. Form**

**FM 600.0.1234** – Winery Property Coverage Enhancement Endorsement

**3. Premium**

There is no premium charge for this endorsement.

**B. Wine Market Value, FM 600.0.1229****1. Description**

The Wine Market Value endorsement allows wineries to cover wine on a market value basis. It provides specific valuation provisions for bottled wine and bulk wine and provides that all values exclude unpaid taxes and discounts and expenses that the insured would otherwise have. It applies to and modifies Commercial Package Policies (CMP) and/or Commercial Monoline Property Policies (Fire) when the Building and Personal Property Coverage Form (CP 00 10) is attached. It is applicable to winery risks only.

**2. Form**

**FM 600.0.1229** – Wine Market Value

**3. Premium**

There is no premium charge for this endorsement.

**C. Increased Limits For Specified Winery Coverage Enhancements**

The following specified Winery Coverage Enhancements are included under **FM 600.0.1234**, subject to the limit specified in the endorsement. The amount of such coverage may be increased by endorsing the policy to the optional higher limits shown in the table below, subject to a premium charge, where applicable.

Use the Increased Limits Exception Schedule – Winery Property Coverage Enhancement Endorsement, **FM 600.0.1275**.

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

<b>Coverage Enhancement</b>	<b>Increased Limits</b>	<b>Premium Charge</b>
Trellis and Vines	\$50,000	Included at No Charge
	\$100,000	\$50 Flat Premium Charge
	\$150,000	\$100 Flat Premium Charge
Contamination (Wine)	\$500,000	Included at No Charge
	Next \$500,000	0.0500 Per \$100 of limit
	Over \$1,000,000	0.0250 Per \$100 of limit
Wine Leakage	\$500,000	Included at No Charge
	Next \$500,000	0.0500 Per \$100 of limit
	Over \$1,000,000	0.0250 Per \$100 of limit
Property Off-Premises	\$250,000	Included at No Charge
	\$500,000	\$200 Flat Premium Charge
	\$750,000	\$350 Flat Premium Charge
	\$1,000,000	\$500 Flat Premium Charge

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 155. GOLD EQUIPMENT BREAKDOWN COVERAGE ENHANCEMENT ENDORSEMENT**


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- 1. Description:** The Gold Equipment Breakdown Coverage Enhancement Endorsement provides coverage for fortuitous mechanical breakdown of pressure, mechanical and electrical equipment.
- 2. Form:** Use form **MF 04 007**, Gold Equipment Breakdown Coverage Enhancement Endorsement. Use form **MF 06 003**, Gold Equipment Breakdown Coverage Enhancement Endorsement Schedule to increase base limit(s) offered in **MF 04 007** or if different deductible options are desired.
- 3. Eligibility:** Any risk eligible for Commercial Property is eligible for Equipment Breakdown
- 4. Rules:** If this coverage applies, attach the endorsement to the policy and charge an additional premium as determined in Step 5. below.
- 5. Premium Determination**

A premium charge is required for each location where coverage applies. Rate each location separately (see exceptions to Rule f.).

**a. Property Damage (PD) Premium**

- (1)** Determine the average 100% Insurable Value for the eligible occupancy where the Equipment Breakdown coverage will apply (also see Rule f.).

**Definitions of Insurable Value**

**Owner, Owner Occupied**

100% Building + Contents (Excluding Stock) Replacement Value for all covered buildings & contents at a Location.

**Owner, Not Owner Occupied**

100% Building Replacement Value for all covered buildings at a Location.

**Tenant**

100% Contents (Excluding Stock) Replacement Value

Note: A tenant renting an entire building and who is responsible for the building equipment (Heating, A/C, Electrical) is to be rated the same as an "Owner, Owner Occupied"

**Farmowners**

100% Coverage A + Coverage E Limits

- (2)(a)** Determine the Rating Group ID (see below). Multiply the rate that corresponds with the value calculated above. Multiply the rate by the value in 100's. For values not shown, use the formula as illustrated below.

Rating ID	Description
A1	Buildings, Offices, Retail Sales & Services, etc.
A2	Places of Public Assembly, Hotels/Motels, Stores with Refrigeration, etc.
B	Commercial Printing, etc.
C1	Healthcare (Not including Hospitals), etc.
C2	Healthcare (Including Hospitals and Diagnostic Services), etc.
D	Food Processing and Storage, etc.
E	Metals & Electronics Manufacturing, etc.
F	Textiles, etc.
G	Rubber & Plastics, etc.

## COUNTRYWIDE

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

H	Light Manufacturing, etc.
I	General Utility Services, etc.

<b>Table A</b>												
Rating ID	A1		A2		B		C1		C2		D	
Formula Constants	C	e	C	e	C	e	C	e	C	e	C	e
	9.772	0.752	11.023	0.752	8.714	0.530	6.413	0.650	8.397	0.650	7.904	0.607
Insurable Value	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem
\$100,000	\$0.3056	\$306	\$0.3447	\$345	\$0.7590	\$759	\$0.3214	\$321	\$0.4208	\$421	\$0.4829	\$483
\$200,000	\$0.1814	\$363	\$0.2046	\$409	\$0.5256	\$1,051	\$0.2048	\$410	\$0.2682	\$536	\$0.3171	\$634
\$400,000	\$0.1077	\$431	\$0.1215	\$486	\$0.3640	\$1,456	\$0.1305	\$522	\$0.1709	\$684	\$0.2082	\$833
\$500,000	\$0.0910	\$455	\$0.1027	\$513	\$0.3234	\$1,617	\$0.1129	\$565	\$0.1478	\$739	\$0.1818	\$909
\$600,000	\$0.0794	\$476	\$0.0895	\$537	\$0.2936	\$1,762	\$0.1003	\$602	\$0.1313	\$788	\$0.1627	\$976
\$800,000	\$0.0639	\$511	\$0.0721	\$577	\$0.2521	\$2,017	\$0.0832	\$666	\$0.1089	\$871	\$0.1367	\$1,093
\$1,000,000	\$0.0540	\$540	\$0.0610	\$610	\$0.2240	\$2,240	\$0.0720	\$720	\$0.0942	\$942	\$0.1194	\$1,194
\$2,000,000	\$0.0321	\$642	\$0.0362	\$724	\$0.1551	\$3,103	\$0.0459	\$917	\$0.0600	\$1,201	\$0.0784	\$1,567
\$3,000,000	\$0.0236	\$709	\$0.0267	\$800	\$0.1251	\$3,754	\$0.0352	\$1,057	\$0.0461	\$1,384	\$0.0613	\$1,838
\$4,000,000	\$0.0190	\$762	\$0.0215	\$859	\$0.1074	\$4,297	\$0.0292	\$1,169	\$0.0383	\$1,530	\$0.0515	\$2,058
\$5,000,000	\$0.0161	\$805	\$0.0182	\$908	\$0.0955	\$4,773	\$0.0253	\$1,264	\$0.0331	\$1,655	\$0.0449	\$2,247
\$10,000,000	\$0.0096	\$956	\$0.0108	\$1,078	\$0.0661	\$6,611	\$0.0161	\$1,611	\$0.0211	\$2,109	\$0.0295	\$2,950
\$20,000,000	\$0.0057	\$1,134	\$0.0064	\$1,280	\$0.0458	\$9,156	\$0.0103	\$2,053	\$0.0134	\$2,688	\$0.0194	\$3,874
> \$20,000,000	\$0.0057	*	\$0.0064	*	\$0.0458	*	\$0.0103	*	\$0.0134	*	\$0.0194	*

\*Premium is dependent on the insurable value

<b>Table A (continued)</b>										
Rating ID	E		F		G		H		I	
Formula Constants	C	e	C	e	C	e	C	e	C	e
	6.297	0.571	2.301	0.462	27.704	0.664	4.244	0.534	5.765	0.550
Insurable Value	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem
\$100,000	\$0.4541	\$454	\$0.2746	\$275	\$1.3018	\$1,302	\$0.3629	\$363	\$0.4579	\$458
\$200,000	\$0.3057	\$611	\$0.1994	\$399	\$0.8216	\$1,643	\$0.2506	\$501	\$0.3128	\$626
\$400,000	\$0.2058	\$823	\$0.1448	\$579	\$0.5185	\$2,074	\$0.1731	\$692	\$0.2136	\$855
\$500,000	\$0.1812	\$906	\$0.1306	\$653	\$0.4471	\$2,236	\$0.1537	\$768	\$0.1890	\$945
\$600,000	\$0.1632	\$979	\$0.1201	\$720	\$0.3961	\$2,377	\$0.1394	\$836	\$0.1709	\$1,026
\$800,000	\$0.1385	\$1,108	\$0.1051	\$841	\$0.3273	\$2,618	\$0.1196	\$956	\$0.1459	\$1,167
\$1,000,000	\$0.1219	\$1,219	\$0.0948	\$948	\$0.2822	\$2,822	\$0.1061	\$1,061	\$0.1291	\$1,291
\$2,000,000	\$0.0821	\$1,642	\$0.0689	\$1,377	\$0.1781	\$3,562	\$0.0733	\$1,466	\$0.0882	\$1,763
\$3,000,000	\$0.0651	\$1,954	\$0.0571	\$1,713	\$0.1361	\$4,082	\$0.0590	\$1,771	\$0.0705	\$2,116
\$4,000,000	\$0.0553	\$2,210	\$0.0500	\$2,000	\$0.1124	\$4,496	\$0.0506	\$2,025	\$0.0602	\$2,408
\$5,000,000	\$0.0486	\$2,432	\$0.0451	\$2,256	\$0.0969	\$4,846	\$0.0449	\$2,247	\$0.0533	\$2,663
\$10,000,000	\$0.0327	\$3,275	\$0.0328	\$3,276	\$0.0612	\$6,117	\$0.0310	\$3,103	\$0.0364	\$3,637



## COUNTRYWIDE

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

\$20,000,000	\$0.0220	\$4,409	\$0.0238	\$4,757	\$0.0386	\$7,721	\$0.0214	\$4,286	\$0.0248	\$4,969
> \$20,000,000	\$0.0220	*	\$0.0238	*	\$0.0386	*	\$0.0214	*	\$0.0248	*

Premium is dependent on the insurable value

To determine the rate for intermediate values, apply the following calculation:

$$=C/(V/1000)^e \quad \text{Where V is the insurable value.}$$

Example: Rating ID A1	V: \$400,000	\$0.1077	= 9.772/(400000/1000) <sup>0.752</sup>
	C: 9.772	\$431	= \$400,000/100 x 0.1077
	e: 0.752		

**(b) Actual Cash Value**

If the valuation of loss is on an Actual Cash Value basis, multiply the base premium from (2)(a) by a factor of 0.870.

**(3) Inspection and LAE Expense Modification**

The Base Premium determined in Step (2) includes average countrywide charges for Inspection and Loss Adjustment Expense (LAE). The amount charged for these activities may be adjusted using the following steps. If no adjustment is being made, use the Base Premium from Step (2) and proceed to Step (4).

- (a) Using the applicable state's rules governing certificate object inspections, calculate the annual average cost to inspect all policy locations for jurisdictional requirements. Add to this any annual cost expected for loss control activities and for LAE.
- (b) Divide the Base Premium from Step (2) by a factor of 5.850 to obtain the Loss Dollars to be used in the calculation of the adjusted Base Premium. Add the dollar amount determined in Step (a) above to those Loss Dollars. Multiply the total dollars by a factor of 2.056 to determine the Base Premium including the adjusted Inspection and LAE Expense.

**(4) Equipment Modification**

The Base Premium includes loss content for all general types of equipment used in building operating systems. The premium may be modified to reflect absence of certain types of equipment or additional equipment not contemplated in the rates.

- (a) Select the Equipment Modification (EM) factor(s) for all applicable items.

EM Factors	Equipment / Conditions
0.150	Risk has diagnostic equipment
(0.240)	Risk does not have any steam or hot water boilers
0.200	Risk uses steam for processing
0.500	Risk has printers with more than 3 color capability
0.100	Risk has products in refrigerated storage
(0.150)	Risk does not have any A/C > 50 hp
(0.350)	Risk does not have any A/C equipment
(0.050)	Risk does not have any owned transformers
0.200	Presses greater than 250 but no larger than 500 tons
0.400	Presses greater than 500 tons

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

- (b) Add all EM Factors together and add to 1.000 to create a factor to modify the premium. Multiply the premium from Step (3) by this factor.

**(5) Optional PD Deductibles**

The base rates contemplate a deductible of \$500.

- (a) If a deductible other than \$500 is desired, select the applicable Deductible Factor from Table B.

**Table B**

<b>Deductible Factors</b>	
<b>Deductible</b>	<b>Factor</b>
\$250	1.100
\$500	1.000
\$1,000	0.944
\$1,500	0.910
\$2,500	0.868
\$5,000	0.809
\$10,000	0.750
\$25,000	0.700
\$50,000	0.660
\$75,000	0.640

For intermediate values, use next lower deductible for table entry.

- (b) Multiply the adjusted premium from Step (4) above by the Deductible Factor.

**(6) Optional Sublimits**

These base rates contemplate up to \$25,000 of coverage at no charge for the following sublimited coverages. These sublimit(s) may be increased to one of the optional limits shown. Only the sublimit values shown may be used.

<b>Sublimit</b>	<b>Expediting Expenses</b>	<b>Spoilage</b>		<b>Hazardous Substances</b>	<b>Data Restoration</b>
		<b>A</b>	<b>B</b>		
\$50,000	0.9	0.6	3.2	0.9	2.5
\$75,000	1.5	1.0	5.0	1.5	4.0
\$100,000	1.9	1.2	6.2	1.9	5.0
\$250,000	3.1	2.0	10.4	3.1	8.4
\$500,000	4.1	2.8	13.6	4.1	10.9
\$1,000,000	5.0	3.4	16.6	5.0	13.4

A - Risks that have minimal amount of perishable goods in storage but desire higher sublimit anyway.

B - Risks that have perishable goods in storage, process, or being manufactured with value usually equal to or greater than the sublimit.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

If a PD deductible for a sublimited coverage is different than the policy PD deductible, multiply the applicable sublimit coverage percentage from the table above by a factor equal to (Table **B** factor for the optional sublimit deductible / Table **B** policy deductible factor). If the deductible is being specified as a % of loss subject to a minimum to adjust the factor as described above. Use that adjusted percentage in the creation of the final sublimit factor below.

If a sublimit higher than \$25,000 applies for a sublimited coverage, determine the percentage charge for the applicable coverage and sublimit from the table above. Add all such percentages together, convert to decimal form and add to 1.000 to create a factor to modify the premium. Multiply the premium from Step (5) by this factor.

**b. Business Income (BI), Extra Expense (EE) and Service Interruption (SI) Coverages**

**(1) Both Business Income and Extra Expense Coverages Being Provided**

**(a)** Determine the 100% Annual BI value for the locations rated for PD above.

**(b) Base Rate**

The base rates contemplate both BI, EE and SI coverages. Determine the Base Rate from the following table. Use the same "Eligibility Table" used to enter Table **A** in Rule 5.b.

Rating Group ID	A1 & A2	B	C1 & C2	D	E	F	G	H	I
Base Rate	\$0.050	\$0.085	\$0.038	\$0.107	\$0.082	\$0.123	\$0.151	\$0.098	\$0.129

**(c) Base Premium**

Multiply the 100% Annual BI Value, in 100s, times the Base Rate selected in Step (b) above to obtain the Base Premium.

**(d) Equipment Modification**

Multiply the Base Premium from Step (c) by the Equipment Modification Factor used in Step a.(4)(b).

**(e) Deductible**

The Base Premium contemplates a deductible of 12 Hours (1/2 Day). If an optional deductible applies, multiply the premium from Step (d) by the applicable factor from Table C below.

Table C

<b>BI/EE Deductible Factors</b>			
Days	Factor	Days	Factor
1	0.968	6	0.817
2	0.920	7	0.801
3	0.885	8	0.788
4	0.857	9	0.776
5	0.835	10	0.765

**(f) Exposure Factor**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

Percent of Exposure is the percentage of the total business that will be affected by an accident to key equipment. Multiply the premium from step (e) by this factor. For intermediate percentages, use the next lower value.

Percent of Exposure	Exposure Factor
100	1.000
90	0.932
80	0.857
70	0.800
50	0.643
35	0.513
25	0.411
20	0.357
15	0.300
10	0.243
5	0.164

**(2) Business Income Coverage Only**

Calculate the premium Rule b.(1). Multiply the premium obtained by a factor of 0.909 to remove the 10% charge included in Extra Expense.

**(3) Service Interruption (SI)**

SI coverage is included. If it does not apply, multiply the premium from Steps (1) or (2) respectively by a factor of 0.870. This is the final BI plus EE or BI Only Premium.

**(4) Extra Expense (EE) Coverage Only**

**(a)** Determine the Extra Expense Limit that applies.

**(b)** Calculate a BI plus EE premium using Rule b.(1). Use the EE limit in 100s in Step b.(1)(c) instead of 100% Annual BI Value. Multiply the premium obtained by a factor of 0.909 to remove the 10% incremental charge for the EE coverage contained in the combined coverage.

**(c)** Multiply the premium from Step (b) by a factor of 0.870 to remove the charge for SI.

**(d)** Multiply the premium from Step (c) by a factor of 0.750 to obtain the final EE premium.

**c. Risk Modification**

Evaluate the risk being rated in accordance with the following criteria:	Range of Modifications	
	Credits	Debits
a. Age of equipment	10%	to 10%
b. Protection (Sheltering and Protective devices)	10%	to 10%
c. Maintenance of Equipment (preventive, testing, record keeping)	10%	to 10%
d. Accessibility (location of) and ease of repairing / replacing equipment	10%	to 10%
e. Condition of equipment (environment, housekeeping)	10%	to 10%
f. Unique situations (prototype, obsolete, foreign mfg., local availability of parts)	10%	to 10%

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**Total debit or credit cannot exceed 25%**

Note: DO NOT apply any other IRPM or schedule rating plan factors to premiums developed under these rules.

Risk Modification Premium Factor = 1.000 + Total Debit or Credit in decimal form.

Add the PD Premium from Step a. and the BI/EE, BI only or EE only Premium from Step b. together. Multiply that total premium by the Risk Modification Factor determined above.

**d. Multi-Location Discount Factors**

Multiply the premium from Step c. above by the applicable multi-location discount factor from the table below. "No. Locations" means number of locations on an individual policy. The definition of a location is a physical address. This is the final Equipment Breakdown Premium.

<b>No. Locations to be rated</b>	<b>Factor</b>
1-3	1.00
4-10	0.920
11-20	0.850
≥20	0.750

**e. Package Policy Credit Included**

Do not include these premiums when applying package credits for other coverage parts.

**f. Optional Methods For Simplified Rating**

The rating for a single risk with multiple locations or multiple risks that have the same rating group, coverage and risk exposure characteristics may be simplified by one of the following methods.

**(1) Average Rate per \$100 of Value**

Use one of the representative locations and calculate the premium using Steps a. through e. above. Divide that premium by the location TIV plus the BI value, if applicable, both in 100s. use this average rate times the applicable value for other locations to determine their Equipment Breakdown premium.

**(2) Factor of Property Premium**

Use one of the representative locations and calculate the premium using Steps a. through e. above. Divide that premium by the corresponding Commercial Property coverage premium. Use that factor times the Property premium for other locations to determine their Equipment Breakdown premium.

**(3) Factor of Package Policy Premium**

Use one of the representative locations and calculate the premium using Steps a. through e. above. Divide that premium by the corresponding Commercial Package Policy premium. Use that factor times the Package Policy premium for other locations to determine their Equipment Breakdown premium.

**(4) Flat Charge**

Use one of the representative locations to calculate the premium using Steps a. through e. above. Use the premium calculated to determine the Equipment Breakdown premium for each location.

Any premiums calculated using Rule f. must be recalculated annually and applied uniformly to all locations. Multiply the premiums resulting from this rule by a factor of .65 as the last step prior to rounding.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**g. Individual Risk Solutions**

Refer to company for rating or classifying any risk or exposure for which:

- (1) The manual company rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk.

Note: To the extent that consent-to-rate procedures apply, they must be followed.

- (2) The coverage to be written is broader than contained in the applicable standard coverage.

Note: To the extent that forms filing requirements apply, they must be followed.

- (3) Rating or classifying any risk or exposure for which there is no manual rate or applicable classification. Rates shall not be inadequate, excessive or unfairly discriminatory.

Companies should maintain complete files, including all details of the factors used in determining the rate or classification for a particular risk and make these files available for a state regulator. Such rates or classifications need not be filed with the state regulator. However, this shall not apply when a company has developed or prepared a manual or schedule of rates which includes a classification applicable to a risk being written.

To the extent that filing requirements apply to such a manual or schedule of rates, they must be followed.

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**RULE 156. PROPERTY COVERAGE**

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**A. Description**

The Property Coverage Extension Endorsement is a coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire). It will be attached to commercial risks when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).

Coverage applies for each Coverage Extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on one (1) of four (4) separate Supplemental Schedules designed to fit certain risk types. The Supplemental Schedule must be used in conjunction with the Coverage Extension Endorsement. Limits provided will vary, depending on which Supplemental Schedule is selected.

**B. Forms****1. Property Coverage Extension Endorsement, FM 600.0.1284**

Use this endorsement to extend or broaden coverage provided by the ISO Property forms.

**2. Supplemental Schedules**

There are four (4) Supplemental Schedules to choose from, depending on the type of risk insured. Each Schedule provides the same additional coverage and coverage extensions, however, the amount of coverage or limit indicated may vary for select coverage. The Supplemental Schedule must be used in conjunction with the Property Coverage Extension Endorsement. Select and attach only one (1) of the following Schedules:

**a. FM 600.0.1285**

This is the Basic Supplemental Schedule. Use to provide a basic level of coverage to commercial property risks.

**b. FM 600.0.1286**

This is the Deluxe Supplemental Schedule. Use to provide higher limits, for select coverage, beyond the limits indicated in the Basic Supplemental Schedule.

**c. FM 600.0.1287**

This is the Premier Supplemental Schedule. Use to provide higher limits, for select coverage, beyond the limits indicated in the Deluxe Supplemental Schedule.

**d. FM 600.0.1288**

To provide coverage and limits specific to the needs of convenience store and service station risks.

**3. Premium**

The premium charge for the Property Coverage Extension Endorsement, **FM 600.0.1284**, is based on the percentage of the total property premium and subject to a minimum premium and maximum premium, as shown in the table below. The charge will vary, depending on the Supplemental Schedule selected in Paragraph B.2. above.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

<b>Table of Premium Charges Supplemental Schedule</b>		<b>Premium Charge (% of Property Premium)</b>	<b>Minimum Premium</b>	<b>Maximum Premium</b>
Basic	FM 600.0.1285	4.0%	\$400	\$3000
Deluxe	FM 600.0.1286	5.0%	\$600	\$3500
Premier	FM 600.0.1287	5.5%	\$750	\$5000
Convenience Stores and Service Stations	FM 600.0.1288	4.9%	\$600	\$3500



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**RULE 157. AGRICULTURAL PROPERTY**

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**A. Property Coverage Extension Amendatory Endorsement – Agricultural****1. Description**

The Property Coverage Extension Amendatory Endorsement – Agricultural, **FM 600.0.1321**, is a change endorsement that applies to agricultural risks only. It provides up to \$100,000 in hay or straw coverage, redefines stock, adds an agricultural stock valuation, clarifies the deductible provision, and amends the Property Not Covered section as it relates to autos and trailers.

**2. Forms**

Use Property Coverage Extension Amendatory Endorsement – Agricultural, **FM 600.0.1321**. Use this endorsement to extend or revise coverage provided by the Property Coverage Extension Endorsement (**FM 600.0.1284**) and the Building and Personal Property Coverage Form (**CP 00 10**).

Attach to commercial agricultural risks only when the policy also contains all of the following:

- a. Property Coverage Extension Endorsement (**FM 600.0.1284**);
- b. One (1) of the following Supplemental Schedules:
  - (1) **FM 600.0.1285** (Basic);
  - (2) **FM 600.0.1286** (Deluxe); or
  - (3) **FM 600.0.1287** (Premier);that provides a summary of coverage and limits;
- c. ISO Building and Personal Property Coverage Form (**CP 00 10**);
- d. ISO Business Income (and Extra Expense) Coverage Form (**CP 00 30**); and
- e. ISO Causes of Loss – Special Form (**CP 10 30**).

**3. Premium**

A flat premium charge of \$250 applies to the Property Coverage Extension Amendatory Endorsement – Agricultural, **FM 600.0.1321**.

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**RULE 158. CRAFT BEVERAGE PROGRAM**

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**A. Property Coverage Extension Endorsement****1. Description**

The Property Coverage Extension Endorsement is a coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package policies (CMP) and / or Commercial Monoline policies (Fire). Coverage applies for each Coverage Extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on a separate Premier Supplemental Schedule designed for brewery and distillery risks, as described below.

**2. Forms**

Attach **FM 600.0.1284**:

- a. When the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). It extends or broadens coverage provided by the ISO Property forms.
- b. In conjunction with the Fairmont Craft Beverage Property Coverage Extension Endorsement Supplemental Schedule – Premier Form, **FM 600.0.1323**.

**B. Fairmont Craft Beverage Property Extension Endorsement Supplemental Schedule - Premier Form****1. Description**

This Premier Supplemental Schedule provides a summary of coverage and applicable limits that apply to brewery and distillery risks.

**2. Forms**

Attach **FM 600.0.1323** in conjunction with the Property Coverage Extension Endorsement, **FM 600.0.1284**, to provide broadened coverage to brewery and distillery risks.

**C. Processing Water Coverage Endorsement****1. Description**

This endorsement covers the cost of replacing processing water that is contained in above-ground storage tanks, processing equipment, or above-ground piping at the described premises, when the water is lost or rendered useless due to a covered cause of loss to such storage tanks, processing equipment, or piping. This endorsement provides up to a \$50,000 limit of insurance.

This is an optional endorsement available for use on brewery and distillery risks. No additional premium charge applies, as the exposure is contemplated in the Fairmont Craft Beverage Property Coverage Extension Endorsement Supplemental Schedule – Premier Form, **FM 600.0.1323**.

**D. Premium**

The Fairmont Craft Beverage Property Coverage Extension Endorsement Supplemental Schedule – Premier Form, **FM 600.0.1323**, used in conjunction with the Property Coverage Extension Endorsement, **FM 600.0.1284**, is subject to a premium charge of 6% of the total property premium, a minimum of \$800 and a maximum premium of \$6,000.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

Table of Premium Changes

Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Craft Beverage Premier	<b>FM 600.0.1323</b>	6.0%	\$800	\$6,000
Processing Water Coverage Endorsement	<b>FM 600.0.1324</b>	Included	Included	Included

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 159. HOTEL SEGMENT PROPERTY COVERAGE**


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**A. Hotel Coverage Enhancement Endorsement****1. Description**

The Hotel Coverage Enhancement Endorsement, **FM 600.0.1300**, is an optional coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

Coverage applies for each Coverage Enhancement included in the endorsement. The applicable limits of insurance are shown in the included Schedule and will vary depending upon which of the four (4) coverage options was selected by the insured. Option 1 offers lower limits, while Options 2, 3 and 4 offer somewhat higher limits.

**2. Eligibility**

Attach to hotel risks when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).

**3. Form**

Use Hotel Coverage Enhancement Endorsement, **FM 600.0.1300**. This endorsement extends or broadens coverage provided by the ISO Property forms.

**4. Premium Determination**

The premium charge for the Hotel Coverage Enhancement Endorsement, **FM 600.0.1300**, is a flat charge, as shown in **Table 95.A.4.** below. This charge will vary, depending on the coverage option selected.

The premium is not subject to modification. However, it is subject to the policy deductible and the corresponding deductible modification factor that would apply.

<b>Coverage</b>	Option 1	Option 2	Option 3	Option 4
<b>Premium Charge</b>	\$1,000	\$1,500	\$2,000	\$2,500

**Table 95.A.4. Coverage Options and Premiums**

**B. Bed Bug Remediation – Limited Coverage****1. Description**

The Bed Bug Remediation – Limited Coverage Endorsement, **FM 600.0.1301**, is an optional endorsement that provides limited coverage loss or damage associated with bed bug infestations. It applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline policies (Fire).

Coverage is subject to an annual aggregate Limit of Insurance, which is shown in the endorsement Schedule. Available Limit of Insurance options are \$5,000, \$7,500 and \$10,000, subject to a \$1,000 deductible per bed bug infestation.

**2. Form**

Use the Bed Bug Remediation – Limited Coverage, **FM 600.0.1301**. This endorsement extends or broadens coverage provided by the ISO Property forms.

**3. Eligibility**

Attach the Bed Bug Remediation – Limited Coverage endorsement to hotel risks when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**) and the Causes of Loss – Special Form (**CP 10 30**).

**4. Premium Determination**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

The premium charge for the Bed Bug Remediation – Limited Coverage endorsement, **FM 600.0.1301**, will vary depending upon the Limit of Insurance option selected and the number of rooms within the hotel.

**a. For Hotels With 200 or Fewer Rooms**

Multiply the number of rooms by the per room charge shown in **Table 95.B.4.**, subject to the minimum premium shown.

**b. For Hotels With 201 or More Rooms**

A flat maximum premium charge will apply, based on the Limit of Insurance selected, as shown in **Table 95.B.4.**

<b>Limit of Insurance</b>	<b>\$5,000</b>	<b>\$7,500</b>	<b>\$10,000</b>
<b>Per Room Charge</b>	\$2.50	\$3.75	\$5.00
<b>Minimum Premium</b>	\$100	\$150	\$200
<b>Maximum Premium</b>	\$500	\$750	\$1,000

**Table 95.B.4. Limit Options Per Room Charges**

**5. Deductible**

A standard deductible of \$1,000 applies to the selected Limit of Insurance option for bed bug remediation coverage. This deductible is separate from any other deductible that may apply under the policy. No other deductible options are available.

**6. Rate Modification**

None apply. Premium associated with bed bug remediation coverage is not subject to modification.

**C. Outdoor Swimming Pool Coverage Endorsement**

**1. Description**

The Outdoor Swimming Pool Coverage Endorsement, **FM 600.0.1313**, is an optional endorsement that provides coverage enhancements to hotel risks when the policy covers all building and business personal property of the insured. It applies to and modifies the Property section of Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

**2. Form**

Use Outdoor Swimming Pool Coverage Endorsement, **FM 600.0.1313**. This endorsement extends or broadens coverage provided by the ISO Property forms to cover outdoor, in-ground swimming pools and/or hot tubs only.

**3. Eligibility**

Attach the Outdoor Swimming Pool Coverage Endorsement to any hotel risk when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**). However, coverage under this endorsement is subject to the Causes of Loss – Basic Form (**CP 10 10**) only, despite any other Causes of Loss Form that might apply to the policy. When attached, the Outdoor Swimming Pool Coverage Endorsement applies to outdoor, in-ground swimming pools and/or hot tubs only.

**Ineligible Risks**

This endorsement does not apply when coverage is provided for one (1) to four (4) family dwellings, including such dwellings that are incidental to hotel risks.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**4. Premium Determination**

Use CSP Class Code 1190 applicable to property described and covered under this endorsement.

- a. For Basic Group I Causes of Loss - Rate using the Basic Group I loss cost that applies to SWIMMING POOLS IN THE OPEN – IN GROUND (CSP 1190) based on public protection and found under ISO Multistate Rule **85.L.3.** Special Class – Loss Costs of the Loss Costs/Rates section of the ISO Division Five Commercial Lines Manual.
- b. For Basic Group II Causes of Loss – Refer to Multistate Rule 85.L.3. Special Class – Loss Costs in the Loss Cost/Rates section to obtain the BG II symbol that applies to SWIMMING POOLS IN THE OPEN – IN GROUND (CSP 1190). Based on this symbol, rate each pool using the BG II loss cost shown under Rule **70.E.2.e.** of the State Exception Pages.

**5. Deductible**

A minimum deductible of \$2,500 applies to the Outdoor Swimming Pool Coverage Endorsement. For applicable deductible factors or higher deductibles, refer to Rule 81. in the ISO State Exception Pages of the Division Five Commercial Lines Manual.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 160. GOLD CHOICE PROPERTY COVERAGE ENHANCEMENT ENDORSEMENT**


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**A. Description**

The Gold Choice Property Coverage Enhancement Endorsement provides coverage enhancements to an insured's existing Commercial Property insurance program, which are generally only available by separate endorsement. This endorsement is attached at the insured's option when broader coverage is desired, subject to a flat premium charge.

**B. Eligibility**

1. Attach only to policies that also contain the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).
2. Applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

**C. Coverage**

1. Offers the insured coverage enhancements that are "included" as part of an automatic blanket (or basket aggregate) limit of \$250,000, unless one of the higher limit options is selected by the insured. The available basket aggregate limit options are \$250,000 (automatic), \$500,000 or \$1,000,000 for select coverage described in the endorsement's Section I Schedule. The insured selects the desired limit option, subject to a nominal premium charge. (Note: see the Premium Determination rule below).
2. In addition to the automatic blanket limit, the endorsement offers additional coverage enhancements that either modify or are in addition to the coverage granted under the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). The limits offered replace, add to or increase the limits provided by such Coverage Forms. In addition, the endorsement includes some new coverage and limits not currently provided by the applicable Coverage Forms. These additional coverage enhancements apply for each enhancement shown in the endorsement's Section I Schedule of Insurance, unless specifically excluded, as indicated by a checkmark in the 'Coverage Excluded' box in the last column of the Section I Schedule. The underwriter may opt to exclude a particular Coverage Enhancement for reasons that may involve a risk with existing coverage elsewhere or a risk with exposures greater than those anticipated by this endorsement.

**D. Form**

Use Gold Choice Property Coverage Enhancement Endorsement, **FM 600.0.1278**.

**E. Premium Determination**

The premium charge for this endorsement is a flat, annual premium charge, based on the following available basket aggregate limit options. The insured selects the desired limit option. Premium is not adjusted by Package Modification, Experience or Schedule Rating (IRPM).

<b>Automatic Blanket Limit (Basket Aggregate) - Insured Selects One Only</b>	<b>Annual, Flat Premium Charge</b>
\$250,000	\$250.00
\$500,000	\$500.00
\$1,000,000	\$1,000.00

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**RULE 161. SOCIAL SERVICES AND YOUTH SERVICING ORGANIZATIONS PROGRAM**


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The Social Services And Youth Servicing Organizations Program will utilize forms, rules and rates filed by ISO on the companies' behalf, in addition to companies' rule exceptions and proprietary rates and forms for Commercial Property and Commercial Package programs, subject to amendments or exceptions below:

The Social Services and Youth Servicing Organizations Program is applicable, but not limited to, YMCAs, Jewish Community Centers and nature-based camps. Broadened coverage may be provided using the forms described below.

**A. Social Services And Youth Servicing Organizations Property Coverage Extension Endorsement, MP 04 001**

- 1. Description:** This endorsement is a coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies the Property portion of Commercial Package policies (CMP) and / or Commercial Monoline property policies (Fire).

Coverage applies for each Coverage Extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on one (1) of three (3) separate Supplemental Schedules designed to fit risks with varying coverage needs. The Supplemental Schedule must be used in conjunction with the Coverage Extension Endorsement. Limits provided will vary, depending on which Supplemental Schedule is selected.

**2. Forms:**

- a. Attach MP 04 001 only:**

- (1)** When the policy also contains the Building And Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). It extends or broadens coverage provided by the ISO Property forms.
- (2)** In conjunction with one of three (3) Social Services Property Coverage Extension Endorsement Supplemental Schedules described under Rule **2.b.** below.

- b. Supplemental Schedules:** There are three (3) Supplemental Schedules to choose from, depending on the type of risk insured. Each Schedule provides the same additional coverage and coverage extensions; however, the amount of coverage or limit indicated may vary for select coverage. The Supplemental Schedule **MUST** be used in conjunction with the Social Services And Youth Servicing Organizations Property Coverage Extension Endorsement, **MP 04 001**.

Attach only one (1) of the following Supplemental Schedules:

- (1) MP 06 001** - Basic Supplemental Schedule This Schedule is mandatory, unless the insured selects one of the Supplemental Schedules. Use to provide a basic level of coverage to commercial property risks.
- (2) MP 06 002** - Deluxe Supplemental Schedule. This Schedule is optional, if selected by the insured. Use to provide higher limits, for select coverage, beyond the limits indicated in the Basic Supplemental Schedule.
- (3) MP 06 003** - Premier Supplemental Schedule. This Schedule is optional, if selected by the insured. Use to provide higher limits, for select coverage, beyond the limits indicated in the Deluxe Supplemental Schedule.

- 3. Premium:** The premium charge for the Social Services And Youth Servicing Property Coverage Extension Endorsement, **MP 04 001**, is based on a percentage of the total property premium and subject to a minimum premium and maximum premium, as shown in the table below. The premium charge will vary, depending on the Supplemental Schedule selected in Rule **2.b.** above.



**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**Table of Premium Charges**

Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Basic	MP 06 001	4.0%	\$400	\$3000
Deluxe	MP 06 002	5.0%	\$600	\$3500
Premier	MP 06 003	5.5%	\$750	\$5000

**B. Food Contamination and Communicable Disease Endorsement, MP 04 002**

- Description:** This optional endorsement covers loss of business income as a result of business closure due to food contamination or communicable disease, additional advertising expenses, expenses to clean equipment and replace contaminated food, cost of medical treatment for employees and reimbursement of medical expenses incurred by guests and patrons. This endorsement provides a \$100,000 per occurrence limit, subject to a \$250,000 annual aggregate limit.
- Form:** Attach **MP 04 002** in conjunction with the Social Services And Youth Servicing Property Coverage Extension Endorsement, **MP 04 001**, to provide broadened loss of business income coverage due to food contamination and communicable disease to social services risks.
- Premium Determination:** There is no premium charge associated with this coverage for the \$100,000 per occurrence limit / \$250,000 annual aggregate. Optional higher limits are available for an additional premium charge as follows:

Optional Increased Limits		Premium Charge (Multiply rate per \$100 of occurrence limit)
Per Occurrence	Annual Aggregate	
\$250,000	\$500,000	\$0.50
\$500,000	\$500,000	\$0.50

**C. Off-premises After School Programs**

- Description:** This optional endorsement provides Extra Expense coverage as a result of the necessary suspension of the insured's after school program(s) due to direct physical loss or damage to non-owned, unscheduled locations at which the insured operates their after school program(s). The endorsement provides a \$5,000 limit for each non-owned, unscheduled locations at which the insured operates their after school program(s). The endorsement provides a \$5,000 limit for each non-owned, unscheduled location at which the insured operates an after school program.
- Form:** Attach **MP 04 003** in conjunction with the Social Services And Youth Servicing Organizations – Property Coverage Extension Endorsement, **MP 04 001**, to provide this off-premises after school program coverage.
- Premium Determination:** There is no premium charge associated with this coverage, and will only be attached to risks with the exposure covered by this endorsement (off-premises after school programs).

**D. Pool Rental Cancellation**

- Description:** This optional endorsement covers loss of Pool Rental Value due to an insured's pool rental agreement being cancelled due to failure of the insured to have a qualified lifeguard for every 25 pool participants. The endorsement provides a \$1,000 limit for all expenses in any one policy year.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

2. **Form:** Attach **MP 04 004** in conjunction with the Social Services And Youth Servicing Organizations – Property Coverage Extension Endorsement, **MP 04 001**, to provide this pool rental cancellation coverage.
3. **Premium Determination:** There is no premium charge associated with this coverage, and will only be attached to risks with the exposure covered by this endorsement (pool rental agreements in place).

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 162. MANUFACTURERS' PROPERTY COVERAGE EXTENSION ENDORSEMENT**


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- A. Description:** The Manufacturers' Property Coverage Extension Endorsement, **MF 04 001**, is a coverage broadening endorsement intended for use on manufacturing risks where we also write the property coverage. It modifies the Property portion of Commercial Package policies (CMP) and / or Commercial Monoline Property policies (Fire). Attachment is at the option of the insured.

Coverage applies for each coverage extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on one of two separate supplemental schedules designed to fit risks with varying coverage needs. The supplemental schedule must be used in conjunction with this endorsement. Limits provided will vary, depending on which supplemental schedule is selected.

**B. Forms:**

1. Attach Manufacturers' Property Coverage Extension Endorsement, **MF 04 001** only:
  - (a) When the policy also contains the Building And Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). It extends or broadens coverage provided by the ISO Property forms.
  - (b) In conjunction with one of two Manufacturers' Property Coverage Extension Endorsement Supplemental Schedules described under Rule **B.2.** below.
2. **Supplemental Schedules:** There are two supplemental schedules to choose from, depending on the type of risk insured. Each schedule provides the same additional coverage and coverage extensions; however, the amount of coverage or limit indicated may vary for select coverage. The supplemental schedule **MUST** be used in conjunction with the Manufacturers' Property Coverage Extension Endorsement, **MF 04 001**.

Attach only one (1) of the following Supplemental Schedules:

- (a) **MF 06 001** - Deluxe Supplemental Schedule This schedule is standard, unless the insured selects the optional Premier Supplemental Schedule. Use to provide higher limits, for select coverage, to commercial property risks.
- (b) **MF 06 002** - Premier Supplemental Schedule. This schedule is optional, if selected by the insured. Use this schedule to provide higher limits, for select coverage, beyond the limits indicated in the Deluxe Supplemental Schedule.

- C. Premium Determination:** The premium charge for the Manufacturers' Property Coverage Extension Endorsement, **MF 04 001**, is based on a percentage of the total property premium and subject to a minimum premium and maximum premium, as shown in **Table 103.C. Premium Charges**. The premium charge will vary, depending on the Supplemental Schedule selected in Rule **103. B.2.**

**Table 103.C. Premium Charges**

Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Deluxe	MF 06 001	5.0%	\$600	\$3500
Premier	MF 06 002	5.5%	\$750	\$5000

- D. Optional Higher Limits:** Higher coverage limits should be calculated using available ISO rates or loss costs for the following ISO rules found under CLM Division Three and Division Five. Premium should be charged only on the additional limits above the limits provided by the Manufacturers' Property Coverage Extension Endorsement.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**Under CLM – Division Three – Crime**

Note: The Manufacturers' Property Coverage Extension Endorsement extends the property coverage to include limited crime coverages. Therefore, for higher limits on the following coverage, refer to the ISO CLM Division Three in lieu of Division Five, which applies to Commercial Property:

- Employee Theft Insuring Agreement, ISO Rule 27.B.
- Forgery Or Alteration Insuring Agreement, ISO Rule 28.B.
- Inside The Premises – Theft of Money And Securities Insuring Agreement, ISO Rule 29.B.
- Outside the Premises Insuring Agreement, ISO Rule 31.B.
- Computer And Funds Transfer Fraud Insuring Agreement, ISO Rule 32.B.
- Money Orders And Counterfeit Money Insuring Agreement, ISO Rule 34.B.

**Under CLM – Division Five – Building and Personal Property:**

- Outdoor Signs, ISO Rule 30.C.3 and 31.C.4.
- Personal Property of Others, ISO Rule 31.C.2.
- Brands and Labels, ISO Rule 38.C.
- Ordinance or Law Coverage, ISO Rule 38.D (State Exception, if applicable)
- Pollutant Cleanup and Removal, ISO Rule 38.E.
- Debris Removal, ISO Rule 38.F.
- Newly Acquired Property – Increased Limit, ISO Rule 38.K.
- Utility Services, ISO Rule 38.L.
- Outdoor Property – Trees, Shrubs, Plants, ISO Rule 38.O.
- Spoilage Coverage, ISO Rule 38.T.
- Fire Department Service Charge – Increased Limit, ISO Rule 38.X.
- Leasehold Interest, ISO Rule 65

**Under CLM – Division Five – Business Income**

- Dependent Properties, ISO Rule 51.B.
- Utility Services, ISO Rule 54.B.

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**RULE 163. UTILITY SERVICES – TIME ELEMENT WITH OPTIONAL WAITING PERIODS  
ENDORSEMENT**

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**A. Description Of Coverage**

Time Element Coverage may be extended to cover loss at the described premises resulting from the failure of utility services. This endorsement offers optional waiting periods.

**B. Form**

Use Utility Services – Time Element Coverage With Optional Waiting Periods Endorsement **MF 04 023**.

**C. Rules**

1. Use Endorsement **MF 04 023** when Utility Services – Time Element coverage is attached to the Coverage Part such as when it is provided under an extension endorsement.
2. Do not use **MF 04 023** when **CP 15 45** is attached to the Coverage Part.
3. Use the Schedule in Endorsement **MF 04 023** to indicate the following property:
  - a. Properties providing water supply, wastewater removal, communication supply and/or power supply services;
  - b. Overhead power transmission and/or overhead communication lines.
4. For each described premises at which coverage applies, show the following in the Schedule:
  - a. A limit of insurance. This limit of insurance is the only limit of insurance applicable to coverage under Endorsement **MF 04 023**; and
  - b. Enter the applicable waiting period for Business Income. Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply, (Business Income coverage does not apply when Endorsement **MF 04 023** is used with Extra Expense Coverage Form **CP 00 50**). Refer to Paragraph **D.2.** for Business Income waiting period options.

**D. Rate Modification**

1. Refer to ISO Rule **54.B.4.a.** through **54.B.4.d.** and paragraph **2.** below for rate modification.
2. Business Income Waiting Period

The Utility Service rates reflect a Business Income waiting period of 72 hours. If a different Business Income waiting period applies, or if no waiting period applies to Business Income, modify the rates by the appropriate factor in the following table:

<u>Business Income Waiting Period</u>	<u>Factors</u>
48 hours	1.05
24 hours	1.10
12 hours	1.12
No Business Income Waiting Period	1.15

**Table 163.D.2. Business Income Waiting Period Factors**

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**E. Premium Determination**

For each described premises at which coverage applies, multiply the applicable rate, as determined from ISO Rule **54.B.4.b.** through **54.B.4.d.** and Paragraph **D.2.** above, by the limit of insurance shown in the Schedule of Endorsement **MF 04 023**. Do not include any other Utility Services – Time Element limits provided elsewhere in the policy, such as in an extension endorsement.

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**RULE 164. UTILITY SERVICES – DIRECT DAMAGE – ALTERNATE DEDUCTIBLE OPTION  
ENDORSEMENT**

---

**A. Description of Coverage**

Property Damage Coverage may be extended to cover loss of or damage to covered property on the described premises resulting from the failure of utility service relating to:

1. Properties providing water, communication and power supply services.
2. Overhead power transmission and communication lines.

**B. Form**

Use Utility Services – Direct Damage – Alternate Deductible Option Endorsement **MF 04 024**.

**C. Eligibility**

Endorsement **MF 04 024** is designed to be used only when:

1. Coverage is written for the Grocers' program only; and
2. The deductible desired for Utility Services coverage is different from the Policy deductible.

**D. Rules**

Coverage for Utility Services may be written to apply to all covered property or only to certain covered property. In the Schedule of Endorsement **MF 04 024**, identify the property to which Utility Services coverage applies and identify the service(s) covered. Utility Services coverage may be written:

1. Subject to the limit of insurance otherwise applicable to the property. In such case, do not enter a Utility Service Limit of Insurance in Endorsement **MF 04 024**; or
2. At a sub-limit, to be identified as the Utility Services Limit of Insurance. Enter the Utility Services Limit(s) of Insurance in the Schedule of Endorsement **MF 04 024**.

**E. Premium Determination**

Utility Services rates are provided in the multistate rates (refer to Rule **38.L.4.**). Make a charge for each service for which coverage applies – water supply, communication supply and/or power supply. If coverage for overhead power lines and/or overhead communication lines applies, add the appropriate charge(s) to the Utility Services rates.

Multiply the Utility Services rate(s) by the higher deductible option factors (provided in **Table 81.DD.3. Deductible Factors** in the company exceptions) and by the applicable limit of Insurance to determine the premium.

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**RULE 165. SPOILAGE COVERAGE – ALTERNATE DEDUCTIBLE OPTION ENDORSEMENT**

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**A. Description of Coverage**

Direct damage may be extended on the Building And Personal Property Coverage Form **CP 00 10** and Condominium Commercial Unit-Owners Coverage Form **CP 00 18** for spoilage of perishable stock caused by one or both of the following:

1. Breakdown or Contamination, meaning change in temperature or humidity resulting from mechanical breakdown or failure of equipment, including contamination of stock by the refrigerant.
2. Power Outage, meaning change in temperature or humidity resulting from on or off-premises power failure.

**B. Form**

Use Spoilage Coverage – Alternate Deductible Option Endorsement **MF 04 025**.

**C. Eligibility**

Endorsement **MF 04 025** is designed to be used only when:

1. Coverage is written for the Grocers' program only; and
2. The deductible desired for Spoilage coverage is higher than the standard deductible as referenced in Rule **33.A**.

**D. Rules****1. Schedule**

Indicate the following in the Schedule of Endorsement **MF 04 025**:

- a. The covered causes of loss: Breakdown or Contamination, Power Outage, or both, depending on the coverage desired.
- b. The applicable limit of insurance for Spoilage Coverage.
- c. The deductible for Spoilage Coverage. (Refer to Paragraph 4.)
- d. The existence of Refrigeration Maintenance Agreement(s), if applicable. This condition may apply when:
  - (1) Breakdown or Contamination is a covered cause of loss in the policy; and
  - (2) Any such agreement is provided on refrigeration equipment at the described premises for which rating is given.
- e. Selling Price, if applicable.

**2. Blanket Insurance**

Do not write insurance on a blanket basis.

**3. Coinsurance**

Coinsurance does not apply to Endorsement **MF 04 025**.

**4. Deductible**

- a. Use the higher deductible options as shown in **Table 81.DD.3. Deductible Factors** in the company exceptions.
- b. Deductibles must be higher than the standard deductible as referenced in Rule **33.A**.

**E. Premium Determination****1. Classification**

Refer to Rule **38.T.4.a.** to determine the classification of types of property or occupancy.

**2. Rates**

- a. Select the applicable rate for each type of property or occupancy specified in the Schedule using the tables shown in the multistate rates. Refer to Rule **38.T.4.b.(1)**.
- b. If Selling Price is applicable, multiply the Spoilage Coverage rate by 1.40.



COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**3. Premium Calculation**

Multiply the rate by the higher deductible option factors (provided in **Table 81.DD.3. Deductible Factors** in the company exceptions) and by the applicable limit of Insurance (in hundreds) to determine the premium.

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**RULE 166. MISCELLANEOUS UNNAMED LOCATION COVERAGE EXTENSION ENDORSEMENTS**

---

**A. Direct Damage****1. Description Of Coverage**

This optional endorsement provides coverage for loss or damage to building(s) and/or business personal property, resulting from a covered cause of loss, located at a miscellaneous unnamed location.

**2. Form**

Use Miscellaneous Unnamed Location Coverage Extension Endorsement **MF 04 021**. This endorsement is to be used with the Building And Personal Property Coverage Form, **CP 00 10** only.

**3. Eligibility**

Endorsement **MF 04 021** is designed to be used only when:

- a. Business interruption coverage applies to the described premises; and
- b. The Basic, Broad and Special Causes Of Loss Forms (**CP 10 10**, **CP 10 20** & **CP 10 30**) apply to the business interruption policy.

**4. Limits Of Insurance**

The limit of insurance under this endorsement is \$250,000 for each building at a miscellaneous unnamed location. The limit of insurance for business personal property is \$100,000 per building at each miscellaneous unnamed location. Higher limits are available, refer to Paragraph **A.5.** below. If flood or earthquake coverage is selected, enter limits that are less than the limits provided for building or business personal property at each miscellaneous unnamed location and the limits provided in the corresponding flood or earthquake coverage.

**5. Premium Determination**

Apply the following procedures to determine the premium for **MF 04 021**.

- a. Use the existing building rate for limits over \$250,000 for building coverage.
- b. Use the existing business personal property rate for limits over \$100,000 for business personal property coverage.

**B. Time Element****1. Description Of Coverage**

This optional endorsement provides coverage for business income and/or extra expense resulting from a suspension of the insured's operations as a result of property damage resulting from a covered cause of loss at a miscellaneous unnamed location.

**2. Form**

Use Business Income Changes – Miscellaneous Unnamed Location Coverage Extension Endorsement **MF 04 022**. This endorsement is to be used with Business Income (And Extra Expense) Coverage Form, **CP 00 30** only.

**3. Eligibility**

Endorsement **MF 04 022** is designed to be used only when:

- a. Business interruption coverage applies to the described premises; and
- b. The Basic, Broad and Special Causes Of Loss Forms (**CP 10 10**, **CP 10 20** & **CP 10 30**) apply to the business interruption policy.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**4. Limits Of Insurance**

The limit of insurance under this endorsement for the sum of business income and extra expense incurred is \$100,000 at each miscellaneous unnamed location. Higher limits are available, refer to Paragraph **A.5.** below. If flood or earthquake coverage is selected, enter in a limit that is less than the limit provided for the sum of business income and extra expense incurred at each miscellaneous unnamed location and the limits provided in the corresponding flood or earthquake coverage.

**5. Premium Determination**

Use the existing business interruption rate for limits over \$100,000.

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**RULE 167. BUSINESS INCOME CHANGES – INGRESS OR EGRESS COVERAGE**

---

**A. Description of Coverage**

This optional endorsement provides coverage for the actual loss of business income and necessary extra expense due to the suspension of the insured's operations which is caused by a tangible obstruction resulting from a covered cause of loss.

**B. Form**

Use Business Income Changes – Ingress Or Egress Additional Coverage Endorsement **MF 04 020**. This endorsement is compatible with Business Income (And Extra Expense) Coverage Form **CP 00 30** only.

**C. Eligibility**

Endorsement **MF 04 020** is designed to be used only when:

1. Business interruption coverage applies to the described premises; and
2. The Basic, Broad and Special Causes Of Loss Forms (**CP 10 10**, **CP 10 20** & **CP 10 30**) apply to the business interruption policy.

**D. Limits of Insurance**

The limit of insurance applicable to endorsement **MF 04 020** is the applicable business interruption limit shown in the Declarations. The coverage provided under **MF 04 020** is not additional insurance.

**E. Premium Determination**

Apply the following procedures to determine the premium for **MF 04 020**.

1. Determine the business interruption limit of insurance shown in the Declarations.
2. Charge \$0.05 per \$100 of the business interruption limit shown in the Declarations.

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**RULE 168. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES WITH A MINIMUM DEDUCTIBLE**

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**A. Description****1. Percentage Deductibles**

The following deductibles may be used for the Windstorm or Hail cause of loss:

- a. 1% Deductible
- b. 2% Deductible
- c. 5% Deductible

**2. Specific Insurance**

The dollar amount of the deductible will be equal to 1%, 2% or 5% of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. However, the deductible as calculated will be subject to a minimum deductible that is equal to the policy deductible (or the deductible set for fire).

**3. Blanket Insurance**

The dollar amount of the deductible will be equal to 1%, 2% or 5% of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with the company. However, the deductible as calculated will be subject to a minimum deductible that is equal to the policy deductible (or the deductible set for fire).

**4. Value Reporting Forms and Builders Risk Insurance**

For value reporting forms, the calculation of the deductible amount is based on reported values. There are variations for the situation where loss occurs prior to the first report, and for reports of value which show less than full values. If coverage is written blanket under a reporting form, the basis of the calculation is value at time of loss.

For builders risk insurance, the calculation of the deductible amount is based on value at time of loss.

But, the deductible as calculated will be subject a minimum deductible that is equal to the policy deductible (or the deductible set for fire).

**B. Form**

Use Windstorm or Hail Percentage Deductible (Subject To a Minimum Deductible) Form **MF 03 005**. This form may be used in place of **CP 03 21**. **MF 03 005** should not be used in conjunction with **CP 03 21**.

**C. Rules**

- 1. This is an optional endorsement and is to be used for accounts that carry a \$1,000 policy deductible or greater. The insured has the option to opt in and/or opt out.
- 2. The Windstorm or Hail percentage deductibles apply whenever there is an occurrence of Windstorm or Hail.
- 3. The Windstorm or Hail deductible is calculated separately (subject to the minimum deductible) for, and applies separately to:
  - a. Each building, if two or more buildings sustain loss or damage;
  - b. The building and to personal property in that building, if both sustain loss or damage;
  - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
  - d. Personal property in the open.
- 4. The Statement of Values for a blanket policy should contain sufficient detail – value of each building, value of personal property at each building, value of personal property in the open – to complement the procedure set forth in the **MF 03 005**.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

5. Percentage deductibles may vary by location (subject to the minimum deductible). At a location, all covered property must be written using the same percentage deductible.
6. If some property at a location is written under a blanket limit of insurance and other property at the same location is written under a specific limit of insurance, all covered property at that location must be written using the same percentage deductible.
7. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at the time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises (subject to the minimum deductible).

**D. Rate Modification**

1. Multiply the Group II rate by the appropriate factor shown in the state exceptions for Rule **82.D**.
2. Multiply the Group II rate by the appropriate factor shown in the state exceptions for Rule **81.E** in place of the factor shown under Rule **82.D** when calculation of the percentage deductible results in a figure that is below the minimum deductible. Or, use the factor (from either rule) that provides a greater deductible credit.

**E. Ineligible Coverage Forms**

1. Leasehold Interest
2. Business Income
3. Extra Expense
4. Legal Liability
5. Mortgageholders Errors and Omissions

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**RULE 169. BLANKET LIMIT OF INSURANCE PER LOCATION ENDORSEMENT**

---

**A. Description of Coverage**

This is an optional endorsement that may be used to blanket various types of Covered Property per location. It also allows you to blanket Time Element coverage per location as well. Please refer to the endorsement for further details.

**B. Form**

Use Blanket Limit of Insurance Per Location Endorsement **MF 25 005**. If there is not enough room in the Schedule of Endorsement **MF 25 005**, more locations can be accommodated by using Blanket Limit of Insurance Per Location – Supplemental Schedule **MF 06 006**.

**C. Premium Determination**

Refer to blanket rating instructions as described in Rule 34.

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**RULE 170. COVERED PROPERTY CHANGES – STOCK ENDORSEMENT**

---

**A. Description of Coverage**

This is an optional endorsement that allows you to move stock out of Your Business Personal Property, as described in Paragraph **A.1.b.** of **CP 00 10** and moves it to a separate line item of Covered Property. This endorsement also allows you to offer a separate Limit of Insurance for stock.

**B. Form**

Use Covered Property Changes – Stock Endorsement **MF 24 003**.

**C. Premium Determination**

Refer to ISO Rule **31.** for rating.



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**RULE 171. SCHEDULE ADDENDUM**

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**A. Description**

This optional addendum is designed to be attached to any policy, at policy inception only, when additional space is needed for information listed on a schedule of an endorsement that is attached to the policy. This addendum acts as an overflow page. Do not use this to add or alter any coverage terms.

**B. Rules**

Attach **MI 99 003**, if needed.

**C. Premium Determination**

There is no premium charge for this addendum.

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**RULE 172. EARLIER NOTICE OF CANCELLATION OR NONRENEWAL WITH A COURTESY NOTICE TO A THIRD PARTY**

---

**A. Description**

This is an optional endorsement that allows the insurer to provide an earlier notice of cancellation or nonrenewal to the insured. The insurer will endeavor to provide the same notice to the scheduled third party. Any applicable state cancellation endorsement must still be attached to the policy.

**B. Rules**

Attach **MI 02 052**. The Schedule of the endorsement must be completed.

**C. Premium Determination**

There is no premium charge for this endorsement.

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**RULE 173. THIRD PARTY NOTICE OF CANCELLATION OR NONRENEWAL**

---

**A. Description**

This is an optional endorsement that gives the insurer the duty to provide a notice of cancellation or nonrenewal to a Third Party shown in the Schedule. Any applicable state cancellation endorsement must still be attached to the policy.

**B. Rules**

Attach **MI 02 051**. The Schedule of the endorsement must be completed.

**C. Premium Determination**

There is no premium charge for this endorsement.

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**RULE 1. DEDUCTIBLE PLAN**

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The deductible rate is determined by applying the credits set forth below to the rates full coverage.

The amount of the deductible and the applicable credit vary from \$1,000 to \$10,000 with premium credits ranging from 10% to 17%.

DEDUCTIBLE	MAXIMUM PERCENTAGE CREDIT
\$1,000	10%
\$3,000	13%
\$5,000	15%
\$10,000	17%

Deductibles in excess of these amounts should be submitted to the Company.

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**RULE 4. PUBLIC AND INSTITUTIONAL PROPERTY PLAN**

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**A. Definition**

This Plan provides favorable rate treatment for buildings and personal property of eligible institutional risks in recognition of:

1. A cooperative loss prevention attitude by the insured; and
2. Maintenance by the insured of an amount of insurance equal to 90% of the values of the insured's property.

**B. Coinsurance / Amount of Insurance**

1. The amount of insurance must be at least 90% of the values shown in the Statement of Values for all perils covered.
2. The 90% of higher coinsurance clause must be attached to all policies.
3. The coinsurance clause may be suspended for a stipulated period if desired, by providing Agreed Value coverage.

**C. Rules**

This Plan applies to coverage provided by the Building and Personal Property Coverage Form (**CP 00 10**) and any of the following Causes of Loss forms:

1. Basic Form (**CP 10 10**).
2. Broad Form (**CP 10 20**)
3. Special Form (including or excluding theft) (**CP 10 30**).
4. Deluxe Causes of Loss Form.
5. Deluxe Property Form which incorporates the Deluxe Causes of Loss Form.

**D. Rules****1. Eligible Coverages – Non-reporting Property Damage Only**

Time element coverages may be included in the same policy as a separate item regular procedures and forms.

**2. Eligible Classes Property (Including Auxiliary Buildings On Same Premises)**

- a. Churches, convents, chapels, monasteries, parish houses, synagogues under common ownership;
- b. Educational institutions and their stadiums (including joint school districts formed by written agreement according to state law);
- c. Governmental facilities;
- d. Hospitals, infirmaries, nursing homes and sanitariums;
- e. Libraries and museums and similar nonprofit organizations open to the public;
- f. Orphanages or other charitable homes; and
- g. Social service organizations (YMCA, YMHA, YWCA, etc.)

**3. Ineligible Classes of Property**

- a. Amusement parks;
- b. Builders' risks;
- c. Builders owned but not occupied by eligible institutions;
- d. Camps, chautauquas and camp grounds;
- e. Governmental facilities occupied for commercial or industrial purposes such as bridges, tunnels, airport terminals, parking garages, electrical generating stations, etc.;
- f. Charitable organizations engaged in:
  - (1) Any manufacturing;
  - (2) Sale, storage or repair of clothing or furniture;

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

- (3) Paper or rag sorting or storage;
    - (4) Provision of food or lodging for itinerants;
  - g. Penal institutions with inmates under restraint;
  - h. Public housing project;
  - i. Properties housing nuclear reactors or substantial quantities or radioactive materials; and
  - j. Properties rated under Rating Plans for Highly Protected Risks or Superior Risks.
- 4. Coverage of Eligible and Ineligible Classes**
- a. Do not cover eligible and ineligible classes of property under the same item of a policy.
  - b. Do not apply the provisions of this plan to ineligible properties.
5. Use Statement of Values form or its equivalent for filing of values by the insured with the company. Values must be 100% actual cash values or replacement cost values.
- 6. Valuation**
- a. Use replacement cost values for properties insured on a replacement cost basis.
  - b. Use actual values otherwise.
- 7. Effective Period**
- a. Agreed value provisions are effective for not more than one year.
    - (1) Show the expiration date of the agreed value in the declarations.
    - (2) Coinsurance provisions automatically apply if the agreed value is not renewed.
    - (3) Endorse the policy with a revised expiration date and amounts based on a new Statement of Values to renew the agreed value.
  - b. Blanket average rates effective for not more than one year.
- 8. Inspections**
- The insured must:
- a. Make two fire prevention inspections per year.
  - b. Submit the results to the company on a form satisfactory to the company.
  - c. Maintain a cooperative attitude toward recommendations for improvement.
- 9. Filing Company**
- For convenience the insured may appoint one company to:
- a. Receive Statements of Values.
  - b. Obtain rating information from ISO.
  - c. Correlate inspections and recommendations for improvement.
  - d. Supply other participating companies with the necessary underwriting and rating information.
- 10. Rates**
- a. **Causes of Loss – Basic Form, Broad Form and Special Form (Excluding Theft of Personal Property)**
    - (1) Determine the 90% coinsurance rate(s) in accordance with the Commercial Lines Manual (Division Five).
    - (2) Multiply the 90% coinsurance rate(s) by .85.
    - (3) Use these adjusted rates to develop premiums under specific coverage or in the calculation of average rates.
    - (4) Do not modify these rates further for use of 100% coinsurance.
  - b. **All Other Causes of Loss (Including Theft of Personal Property)**

Apply the same rating procedure as for other risks.

**c. Minimum Premium**

Charge an annual premium of at least \$500 for all contributing insurance.

WITHDRAWN

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**RULE 21. COMMON POLICY CONDITIONS**

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**A. Description**

The Common Policy Conditions are to be attached to all policies.

**B. Form**

Use FM 101.0.867, Common Policy Conditions.

WITHDRAWN



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**RULE 22. BUILDING AND PERSONAL PROPERTY FULL VALUE COVERAGE**

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**A. Definition**

This endorsement eliminates the coinsurance clause and provides that the policy amount of insurance shall be the full 100% value of the building(s) as determined at the time of loss. No dollar policy amount will be shown on the policy.

**B. Form**

Use **FM 600.0.903**, Full Value Coverage Endorsement.

**C. Rules**

1. Eligibility - buildings only, when written on a specific, scheduled or blanket basis.
2. Valuation - it shall be optional to write this coverage on an Actual Cash Value basis or Replacement Cost basis. A current computer property valuation or acceptable substitute must be filed with the company showing 100% Replacement Cost and Actual Cash Value for each building covered by the endorsement.
3. Effective Period - the policy may be written for a one-year term.
4. Business income in combination with the buildings and/or personal property.

**D. Rating Procedures**

The 90% coinsurance rates shall apply and the premium will be determined by using the 100% Actual Cash Value or Replacement Cost Value as determined by the current property valuation.

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**RULE 30. BUILDING**

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**A. Description of Coverage**

1. The Deluxe Property Form modifies and replaces the ISO Building and Personal Property Form – **CP 00 10** and the Special Causes of Loss Form – **CP 10 30** on all risks that meet the following criteria:
  - a. Buildings under 40 years old, or contents in such buildings, unless substantial renovations have been made to bring the building into compliance with local building ordinance requirements.
  - b. Replacement Cost optional coverage applies to Buildings.
  - c. Minimum of \$1,000 deductible applies to Building and Contents Coverage.
  - d. Buildings insured for at least \$500,000. If one building in a schedule of buildings meets this criteria, then all buildings may be eligible. Also, buildings insured under blanket limit that meets this criterion are also eligible.
  - e. If only contents are insured, a \$100,000 minimum limit applies.
  - f. Contents of a building need to be supplied electrical power by a public utility.
2. If the building does not meet the criteria mentioned above, use the Property Enhancement Endorsement.

**B. Form**

Use either **FM 600.0.965**, Deluxe Property Form or **FM 600.0.900**, Property Enhancement Endorsement in conjunction with the Building and Personal Property Form **CP 00 10** or Business Income Coverage Forms, **CP 00 30** or **CP 00 32**.

**C. Rating Procedure**

1. Deluxe Property Form. The premium calculation for this coverage is the same as ISO Special Causes of Loss Form calculations.
2. Property Enhancement Endorsement. The premium calculation for this coverage is the same as for **CP 00 10**.

- D.** Increased Limits for Property Enhancement Endorsement and Deluxe Property Form should be rated in excess over limits provided. Rates for additional coverage should be in accordance with applying rates and rules in CLM Division Five.

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**RULE 35. FLOOD ENDORSEMENT**


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**A. Description**

This optional endorsement modifies the policy by adding flood coverage.

**B. Form**

Use **FM 600.0.914**, Flood Endorsement.

**C. Eligibility**

1. No coverage offered in flood zones A, or D (refer to Underwriter for zone D).
2. Coverage shall apply to building and contents only. No coverage for business income.
3. Locations to which this endorsement is attached must have Special or Deluxe Form attached.

**D. Rules**

1. Minimum deductible shall be \$25,000 and a maximum limit of \$2.5 million per occurrence building and contents combined. Limits shall be equivalent to the basic building and contents limits. An annual aggregate limit equal to the per occurrence limit will apply.
2. Coverage can be written excess of the NFIP program using the \$250,000 Building and \$300,000 Contents deductible, which is reserved for this situation.

**E. Rating Procedures**

Rates subject to the specific flood zone information (B,C, or X) and deductibles. Apply the appropriate rate per \$100 for the table below at the applicable level to the limit(s) for covered locations. Building and contents limits at each location may be combined for premium development purposes. No other premium modifications, package modifications, rate deviations or IRPMs, etc., shall apply.

See Flood Endorsement Rating Table that follows.

**F. Coverage Minimum Premium**

\$100 per policy not subject to any modifications.

**RATE PER \$100**

Deductible Options	Building		Contents**			
	No Basement	With Basement	A	B	C	D
25,000	0.040	0.063	0.169	0.082	0.076	0.040
50,000	0.030	0.047	0.128	0.062	0.057	0.030
75,000	0.029	0.046	0.123	0.060	0.055	0.029
100,000	0.027	0.043	0.115	0.056	0.052	0.027
250,000	0.024	0.038	N/A	N/A	N/A	N/A
300,000	N/A	N/A	0.091	0.044	0.041	0.021

\*\*

(A) = basement & above

(B) = lowest floor only above ground level

(C) = lowest floor above ground level and higher floors

(D) = above ground level more than 1 full floor Flood Endorsement Rating Table

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**RULE 36. ELEVATOR COLLISION**

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**A. Description**

The Basic, Broad or Special Causes of Loss Form may be extended to include loss or damage to covered property caused by the collision of an elevator with another object.

**B. Form**

Use **FM 600.0.869**, Elevator Collision.

**C. Rating Procedures**

The premium charge for elevator collision coverage is \$25 for each separately rated location. This charge is based on the minimum premium that formerly applied to the coverage when it was included in the General Liability manuals.

There is no rate per hundred since the exposure is normally much less than the policy limits.

WITHDRAWN

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**RULE 38. PARTIAL PROOF OF LOSS**

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**A. Description**

This endorsement allows the use of one or more partial statements of loss if the insured is not able to state the amount of loss for each item involved in the loss.

**B. Form**

Use **FM 600.0.817**, Partial Proof of Loss Endorsement.

**C. Rating Procedures**

No special rating provision is necessary for this form.

WITHDRAWN

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**RULE 38. BUILDING AND PERSONAL PROPERTY COVERAGE OPTIONS**

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**A. Description of Coverage**

Coverage may be obtained for the following types of losses which are not directly caused by a covered cause of loss but are a consequence of a covered cause of loss. These types of losses result from the enforcement of laws or ordinances which do not permit restoring property under the Building item to the same condition as existed prior to damage. These types of losses may result from:

1. Loss of value of an undamaged portion of the existing property;
2. Costs of demolition of the undamaged portion of the property; and
3. Increased expenses to:
  - a. Replace the property so as to comply with current building, zoning, or land use laws or ordinances.
  - b. Repair the damaged property so that it complies with current building, zoning or land use laws or ordinances.

**B. Form**

Use **FM 101.0.1238**, Ordinance or Law Coverage.

**C. Rules****1. Minimum Coinsurance**

- a. 80% of replacement cost of the current property.
- b. Any insurance that is greater than the minimum coinsurance requirement can be applied as additional insurance to the remainder of the consequential loss which arises from the enforcement of ordinances or laws. This additional insurance applies to the necessary demolition costs and the costs to replace or repair the damaged property to comply with current building, zoning or land use laws and ordinances.

**2. Replacement Cost Coverage Option**

When the Ordinance or Law Endorsement, **FM 101.0.1238** applies, activate the Replacement Cost Optional Coverage of the underlying property damage coverage form for property to which endorsement **FM 101.0.1238** applies.

**D. Rate Modification**

1. Causes of loss other than earthquake:

Multiply the 80% or higher coinsurance building rate by 1.10.
2. Earthquake:

Use the same procedure as above except change the factor in 1. to 1.85.

**E. Coverage Example**

1. Assume the following:
  - a. An insured building of masonry construction has a replacement cost value of \$400,000.
  - b. This building is located in an area now zoned for superior construction. The owner knows that substantial damage to the building -- assume 50% destruction -- will trigger the local ordinance and the entire building will have to be destroyed.
  - c. Estimated cost of demolition of 50% of the structure (the undamaged portion) is \$30,000.
  - d. The additional cost to replace the building with a new structure to comply with the local ordinance and land use laws is \$200,000.
2. For the purposes of illustration, the following is a possible way of developing the limit of insurance by attachment of the Ordinance or Law Coverage Endorsement to provide coverage for:

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

- a. Replacement cost value of the current building (including loss of value of undamaged portion) equals \$400,000.
- b. Additional cost to replace the building to comply with building ordinances and land use laws equals \$200,000.
- c. Cost to demolish the undamaged part of the existing building after loss occurs equals \$30,000. The limit of insurance would be \$630,000 (\$400k + \$200k + \$30k).

WITHDRAWN

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**RULE 65. GARAGEKEEPERS COVERAGE**

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**A. Description**

This optional endorsement provides coverage for customer's autos in the care, custody and control of the insured while he is attending, servicing, repairing, parking or storing in his garage operation.

**B. Form**

Use FM 114.0.1125, Garagekeepers Coverage Form.

**C. Eligibility**

Individual, partnerships or corporations may be insured. Allied and subsidiary interest shall not be included unless the principal Insured has a controlling financial interest therein or all interests are under common management. Garagekeepers insurance may be issued only to a single garage owner or operated described in this subsection.

**D. Rating Procedure**

The rating plan shall be as filed under the Commercial Lines Manual – Automobile subsection 55. Garagekeepers' Insurance - Premium Development.



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**RULE 67. FUEL OIL DEALERS EXTENSION ENDORSEMENT**

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- A.** This endorsement, **FM 600.0.956**, Fuel Oil Dealers Extension Endorsement amends the building and personal property coverage form by providing the following extensions of coverage:
1. \$25,000 for loss of insured's product due to theft or loss of terminal access card.
  2. \$25,000 for loss of insured's product due to contamination by surface water runoff.
  3. \$10,000 loss or damage for erroneous delivery.
  4. \$50,000 for pollutant clean-up and removal.

**B. Form**

Use **FM 600.0.956**, Fuel Oil Dealers Extension Endorsement. This form must be attached to all fuel oil dealers and distributors to which the Deluxe Causes of Loss Form is attached.

WITHDRAWN

COUNTRYWIDE

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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**RULE 68. DIFFERENCE IN CONDITIONS COVERAGE**

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Refer to filed and approved Independent Guide.

WITHDRAWN

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**RULE 69. AFFINITY GROUP RULE**

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- A.** A Master Policy with individual Certificates of Insurance may be issued either monoline or as part of a package policy to cover the exposures of Affinity Group members provided:
1. A coordinator has been designated by the group members to secure coverage, negotiate policy terms and conditions, and retain the policy;
  2. Any common rate(s) utilized reflect common risk characteristics or exposures;
  3. Premium is not excessive, inadequate or unfairly discriminatory;
  4. Separate statistics can be maintained for the group; and
  5. If the group fails to pay the premium, notice will be given to the insureds in accordance with regulatory requirements. Individual insureds will have conversion rights to individual policies where required by law.
- B. An Affinity Group Includes:**
1. Interests operating under a common name;
  2. Interests using, providing or selling one or more identical products or services obtained through a single source;
  3. Those subject to established standards regarding governance, management, control and/or responsibilities for operations or services;
  4. Groups or associations providing services to members having common interests, but shall not include organizations formed solely for the purpose of securing insurance; or
  5. Members who have contractually agreed to permit another to secure their insurance.
- C. For Eligible Affinity Groups**, premium may be determined as follows:
1. Common risk characteristics or exposures may be rated using common rate(s).
  2. Substantially similar risks may be rated based on a combination of common rating factors.
  3. Rates may be adjusted to reflect previous loss experience of the Affinity Group.
  4. If the Affinity Group presents unique or unusual conditions or expense reductions such that the normal rating procedure does not produce an equitable premium, the premium may be adjusted to reflect such conditions.
- D. Master Policy Forms**
1. Common Policy Declarations, **FM 101.0.1414**. Used for all policies under the Master Policy format.
  2. Common Declarations (Continued Page 2), **FM 101.0.1417**. Used to indicate each individual Certificate Holder.
  3. Common Policy Declarations (Continued page 3), **FM 101.0.1418**. Attached if the group of Certificate Holders extends beyond the original list, allowing additional entries to be accommodated.
  4. Common Policy Declarations – Additional Coverage Parts, **FM 101.0.1415**. Extends the Common Declarations Page beyond the listed Coverage Parts as necessary.
  5. Common Policy Conditions Amendment, **FM 101.0.1419**. Identifies the First Named Insured as the duly designated representative of the group.
  6. Any forms previously approved for use by the Company may be used in the policy.

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**RULE 72. CAUSES OF LOSS – SPECIAL FORM**

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The following is added:

**H. Causes Of Loss – Deluxe Form****1. Description**

The Causes of Loss – Deluxe Form, **FM 600.0.871** modifies the ISO Special Causes of Loss Form by narrowing some of the Special Form exclusions and limitations and by introducing enhanced coverage extensions such as:

- a. \$250,000 Building Ordinance;
- b. \$25,000 Business Income & Extra Expense;
- c. \$25,000 Property Off-premises;
- d. \$25,000 Off-premises Power Failure;
- e. \$25,000 Broad Water Damage;
- f. \$5,000 Property In-transit.

All other coverage modifications to the ISO Special Form are available for the Deluxe Form, including the optional Theft and Watercraft Exclusions.

**2. Form**

Use **FM 600.0.871** instead of the ISO Special Causes of Loss Form except where expressly ineligible. All ISO endorsement available for CP 10 30 are available for this form. If attached, type or print the words "CAUSES OF LOSS – DELUXE FORM" under the list of affected forms shown on the endorsement.

**3. Ineligibility**

Same as Causes of Loss – Special Form, plus:

- a. No building over 40 years old, or contents in such building, unless substantial renovations have been made to bring the building into compliance with local building ordinance requirements.
- b. Contents at locations used for manufacturing or processing, unless coverage is also written on such locations under the Business Income Coverage Form, Extra Expense Coverage Form, or equivalent form.
- c. Contents of buildings that are not supplied electrical power by a public utility.
- d. Buildings to which the Replacement Cost Optional Coverage does not apply.
- e. Buildings insured for limits less than \$500,000. If one building in a schedule of buildings meets this criterion, all buildings may be eligible. Also, buildings insured under a blanket limit that meets this criterion may be eligible.

**4. Rules**

Same as Causes of Loss – Special Form, except the minimum deductible for policies to which this form attaches is \$1,000.

**5. Rating Procedure**

Same as Causes of Loss – Special Form

(Note: rates for additional coverages in addition to Deluxe Form limits (e.g., Building Ordinance, Business Income) should not be adjusted in recognition of Deluxe Form Coverage. This is due to the fact that no additional premium is charged for the Deluxe Form enhancements.)

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**RULE 72. MOLD BUILDERS PROGRAM**

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- A.** Eligibility: These endorsements will be made available to all insured who are members' of the American Mold Builder's Association or who are metal worker's of like kind and quality who meet our minimum underwriting standards.
- B.** Forms:
1. Use: FM 600.0.1066, Deluxe Property Form Mold Builder's to provide extended property Coverage
  2. Use: FM 600.0.1068, Mold Builder's Business Income Form to provide extended Business Income Coverage
- C.** Rate: There is no additional charge for these coverage forms.

WITHDRAWN

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**RULE 73. CAUSES OF LOSS – EARTHQUAKE FORM**

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Paragraph **G.** is added:

**G. Additional Condition – Earthquake**

**1. Description of Coverage**

This endorsement modifies policy provisions to reflect that premium is fully earned at inception and not subject to General Rule 10 – Return Premium Changes unless the insureds interest in the property has been ceased, cancellation is at the request of the Company, or the coverage is cancelled flat. This is to preclude insureds that are located in areas subject to earthquakes from adding this coverage when an earthquake is predicted and dropping coverage when the danger has passed.

**2. Form**

Use **FM 600.0.930**, Additional Condition – Earthquake Coverage.

**3. Rating Procedure**

No special rating provision is necessary for this form.

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**RULE 74. OTHER CAUSES OF LOSS FORMS**

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Paragraph **74.F.2.b.** is replaced by the following:

- b.** Use Earthquake And Volcanic Endorsement (Sub-limit Form) **CP 10 45** (for percentage deductibles) or **MP 04 005** (for fixed dollar deductibles) and indicate in the Declarations (or in the Earthquake – Volcanic Eruption Coverage Schedule, **CP DS 06** for percentage deductibles or **MP 06 004** for fixed dollar deductibles) that Endorsement **CP 10 45** or **MP 04 005** is being used to cover "Earthquake – Sprinkler Leakage Only". Select a limit of insurance lower than the limit which applies to other perils; the selected limit of insurance applies on an annual aggregate basis. The "Earthquake – Sprinkler Leakage Only" Option appears under Additional Covered Causes Of Loss in Endorsement **CP 10 45** or **MP 04 005**. The Earthquake And Volcanic Eruption percentage or fixed dollar deductible does not apply to this coverage, the Fire deductible applies instead.

Paragraph **74.F.4.a.** is replaced by the following:

**a. Restriction**

Rule **74.F.**, including rating instructions, applies only to "Earthquake – Sprinkler Leakage Only" Coverage as written under Endorsement **CP 10 40**, **CP 10 45** (sub-limit form for percentage deductibles) or **MP 04 005** (sub-limit form for fixed dollar deductibles).

Paragraph **74.F.4.c.(1)(a)(ii)** is replaced by the following:

- (ii)** Endorsement **CP 10 45** (sub-limit form for percentage deductibles) or **MP 04 005** (sub-limit form for fixed dollar deductibles) is used with the Basic, Broad or Special Causes of Loss Form.

Paragraph **74.F.5.f.** is replaced by the following:

- f.** If coverage is written under Endorsement **CP 10 45** (sub-limit form for percentage deductibles) or **MP 04 005** (sub-limit form for fixed dollar deductibles), multiply the Earthquake – Sprinkler Leakage Only rate by .999. The factor .999 accounts for the reduction in protection inherent in the use of an annual aggregate limit. (If the annual aggregate limit is to be increased, refer to Rules **75.C.3.** and **75.C.6.** for percentage deductibles or Rules **75.CC.3.** and **75.CC.6.** for fixed dollar deductibles.)

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**RULE 76. PIZZA HUT RESTAURANT PROGRAM**

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**A. Eligibility**

1. Building under 40 years old or contents in such buildings, unless substantial renovations have been made to bring the building into compliance with local building requirements.
2. Replacement cost coverage applies to Buildings and Contents coverage.
3. Buildings must be insured for at least \$100,000. If one building in a schedule of building meets this requirement, all buildings may be eligible. Also, buildings insured under a blanket limit that meet this criteria may be considered eligible.
4. Contents of building need to be supplied electrical power by a public utility.
5. Approved, properly maintained and services automated kitchen fire protection systems are required.
6. Satisfactory financial statements are required.
7. Restaurants must have safety programs in place for employee safety.

**B. Forms**

Use **FM 600.0.1080**, Pizza Hut Property Form.

**C. Rate**

The premium calculation for this coverage is the same as the ISO Special Causes of Loss Form calculations previously filed and approved.



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**RULE 77. POLLUTANT LIABILITY COVERAGE FOR ON SITE POLLUTION**

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**A. Eligibility**

Any Trailer Dealer Risk that meets our minimum underwriting standards. This form is mandatory.

**B. Coverage**

It provides additional coverage for On Site Pollution over and above the basic coverage provided on the Deluxe Property Form.

**C. Form**

**FM 600.0.1083**, Pollutant Liability Coverage for On Site Pollution, which will attach to our Deluxe Property Form, **FM 600.0.965**.

**D. Rate**

There is no premium charge for this coverage.

WITHDRAWN

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**RULE 78. PARKING GARAGE PROGRAM**

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**A. Eligibility**

The Risk must meet the following underwriting criteria in order to be eligible for these forms:

1. At least 75% of the firm's ratable exposures must emanate from the ownership and/or operation of:
  - a. Self-parking garages/lots
  - b. Modified parking garages/lots
  - c. Attendant or valet parking garages/lots
2. The following operations are ineligible:
  - a. Towing services
  - b. "Vehicle Holding Yards" such as those that relate to towing services
  - c. Modular/Demountable/Semi permanent parking structures
  - d. Any automotive repair service
  - e. Private livery/limousine service

**B. Forms**

1. Use **FM 135.0.1**, Parking Garage Deluxe Property Form, for all risks which meet the above underwriting criteria. Rating for this coverage form is the same as form the Special Causes of Loss Form. The form is a mandatory attachment to all risks which meet the eligibility criteria and need property coverage.
2. Use **FM 135.0.2**, Business Income and Extra Expense Form, for all risks which purchase Business Income and Extra Expense Coverage. The coverage form is an optional form, but if Business Income is purchased, it is mandatory that all eligible risks use this form.

The rating for this form uses ISO field and approved Loss Costs for Business Income and Extra Expense Coverage.

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**RULE 81. FRATERNAL ORGANIZATION EXTENSION ENDORSEMENT**

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**A. Form**

Use FM 600.0.1093, Fraternal Organization Extension Endorsement as an attachment to our Deluxe Property Form for all Fraternal Organizations.

**B. Forms**

There is no additional charge for this coverage.

WITHDRAWN

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**RULE 82. CUSTOM DELUXE COVERAGE FORM**

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**A. Description**

This form provides additional coverage beyond the coverage stated in the referenced ISO forms.

**B. Form**

1. The Custom Deluxe Coverage Form, **FM 600.0.1110**, incorporates elements of the ISO Building and Personal Property Form, **CP 00 10** and the ISO Special Causes of Loss Form, **CP 10 30**, as well as providing additional coverages.
2. The listed Declarations Pages are to be used as appropriate for the purposes defined by the Page titles:
  - a. Locations Where Coverage Is Provided, Mortgage Holders, Loss Payees, Declarations, **FM 600.0.1111**
  - b. Coverage At Specified Locations Declarations, **FM 600.0.1113**
  - c. Coverage At Unspecified Locations and Off-Premises Coverage Declarations, **FM 600.0.1114**
  - d. Manufacturer's Output Coverage Declarations, **FM 600.0.1115**
  - e. Additional Coverages Declarations, **FM 600.0.1116**
  - f. Coverage Extensions Declarations, **FM 600.0.1117**
  - g. Optional Valuation Coverages Declarations, **FM 600.0.1118**
  - h. Peak Season Limit of Insurance Declarations, **FM 600.0.1119**
  - i. Breakdown Exclusions Declarations, **FM 600.0.1120**
  - j. Flood and Water Damage Coverages Declarations, **FM 600.0.1121**
  - k. Earthquake Coverage Declarations, **FM 600.0.1122**
  - l. Business Income Coverage Declarations, **FM 600.0.1123**
  - m. Business Income Optional Coverage, Declarations, **FM 600.0.1124**
  - n. Business Income Coverage, Amendments Declarations, **FM 600.0.1125**
  - o. Extra Expense Coverages Declarations, **FM 600.0.1126**
  - p. Extra Expense Optional Coverages Declarations, **FM 600.0.1127**
  - q. Declarations - Amendments, **FM 600.0.1128**

**C. Rating Procedure**

1. The premium calculations for the Custom Deluxe is the same as the ISO rates and rating rules applicable to these coverages, plus a charge of 5% of the applicable property premium subject to a \$500 minimum charge.
2. Optional Coverages, Amendments and Business Income Coverage are to be rated in accordance with applying the previously approved rates and rules.
3. Increased Limits for the Coverage Extensions are to be rated as excess over the standard limits provided. The rates for this additional coverage should be in accordance with previously approved rates and rules.

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**RULE 83. MANUFACTURERS ENHANCEMENTS**

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**A. Eligibility**

All manufacturing classes.

**B. Form**

Use **FM 600.0.1142**, Property Coverage Enhancements For Manufacturers. This is an optional endorsement.

**C. Rate**

The premium charge for this endorsement is as follows:

Total Insured Value	Charge
Less than \$5 Million	\$750
\$5 Million to \$20 Million	\$1,000
More than \$20 Million	\$1,250

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**RULE 84. CARE PROVIDERS PROTECTION PROGRAM**


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**A. Care Providers Coverage Endorsement****1. Coverage**

The Care Providers Property Coverage Endorsement provides coverage extensions and additions to the Custom Deluxe Coverage Form. The endorsement is an optional form, with a premium charge on a "flat charge" basis. It will be made available to all Care Provider risks that elect the coverage and pay the appropriate additional premium. The coverage extensions included in the endorsement are:

- a. Electronic Data Processing Equipment
- b. Property of "Care Clients"
- c. Leasehold Interest
- d. Forgery
- e. Evacuation Expense
- f. Search and Recovery Expenses
- g. Collapse
- h. Emergency Services
  - i. Business Income and Extra Expense
  - j. Goodwill Recovery
- k. Outdoor Trees, Shrubs, Plants and Lawns
- l. Personal Effects
- m. Property In Transit, On Exhibition, Or In The Custody of Salespersons
- n. Property of Others
- o. Property Temporarily Off-Premises
- p. Temperature - Humidity Change Coverage
- q. Electrical Injury or Erasure to Valuable Records and Papers
- r. Theft of Jewelry
- s. Definition - "Care Client"

**2. Form**

Use Care Providers Property Coverage Endorsement, **FM 600.0.1145**.

**3. Rates**

The rates for this endorsement are as follows:

<b>Total Annual Budget</b>	<b>Premium Charge</b>
Less than \$2 Million	\$250 per location up to a maximum of \$750 per policy
\$2 Million to \$20 Million	\$375 per location up to a maximum of \$1500 per policy
More than \$20 Million	\$375 per location up to a maximum of \$1,875 per policy

**B. Key Person Replacement Expense Coverage****1. Coverage**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

The Key Person Replacement Expense Coverage extends the Custom Deluxe Coverage Form to provide coverage for the extra expenses that the insured may incur if the insured loses the services of a key person. The expenses would include advertising, travel and lodging, interviewing and legal expenses, relocation, training and education, and excess compensation expense.

**2. Form**

Use Key Person Replacement Expense Coverage, **FM 600.0.1146**.

**3. Rates**

The rates apply per person in each Covered Position. The rate per person based on the selected limit is as follows:

Limits	Premium Per Person
\$25,000	\$100
\$50,000	\$175
\$75,000	\$225
\$100,000	\$250
Interpolation may be used for other limits.	

**C. Smoke Free and Cooking Free Credit****1. Rule**

If a Health Care or Social Service business is a residential facility and prohibits smoking and cooking in all residential units, the fire rate may be credited 10%. The use of a non-commercial microwave oven in residential units is permitted.

**D. Smoke and Heat Detection Device Credit****1. Rule**

If a Health care or Social Service business is a residential facility and each residential unit has an approved smoke and heat detection device, the fire rate may be credited 10%.

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**RULE 86. UTILITY PROPERTY COVERAGES**

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**A. Description**

Additional coverages are listed on the Utility Special Endorsement form **FS 600.0.1194**.

**B. Rate**

Charge for attachment of this endorsement and its coverages as follows:

1. Determine the hazard grade for the business from the A.M. Best Underwriting Guide.
2. According to the hazard grade, in the table below, determine the premium charge for the endorsement.
3. This premium is a flat charge and is not subject to adjustment for package modification or any rating plan, including IRPM.

Hazard Grade	Premium Charge
Low Hazard Risks (grade 1-3)	\$300
Mid Hazard Risks (grade 4-6)	\$600
High Hazard Risk (grade 7-10)	\$1,500



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**RULE 88. AGRICULTURAL SPECIAL PRODUCTS**

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**A. Description**

Additional coverages are listed on the Agricultural Special Endorsement form **GPP 00010402**.

**B. Rate**

Charge for attachment of this endorsement and its coverages as follows:

1. Determine the hazard grade for the business from the A.M. Best Underwriting Guide.
2. According to the hazard grade, in the table below, determine the premium range for the endorsement.
3. Determine the actual premium for this endorsement according to the following considerations:
  - a. Financial strength (according to D&B and TWR reports);
  - b. Insured longevity in business;
  - c. Insured loss/claim history;
  - d. Loss control evaluation and safety record; and
  - e. Management attitude toward loss control.
4. This premium is a flat charge and is not subject to adjustment for package modification or any rating plan, including IRPM.

Hazard Grade	Premium Range
Low Hazard Risks (grade 1-3)	\$250 - \$500
Mid Hazard Risks (grade 4-6)	\$501 - \$1,000
High Hazard Risk (grade 7-10)	\$1,001 - \$2,500

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 96. MANUFACTURERS SEGMENT COVERAGE**


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**A. Manufacturers Coverage Enhancement Endorsement**
**1. Description**

The Manufacturers Coverage Enhancement Endorsement, **FM 600.0.1310**, is an optional endorsement that provides coverage enhancements to manufacturing risks. It applies to and modifies the Property section of Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

Coverage applies for each Coverage Enhancement included in the endorsement and its corresponding Schedule. However, the applicable limit of insurance will vary depending upon which of the four (4) Limit of Insurance options was selected by the insured. Option 1 offers lower limits, while Options 2, 3 and 4 offer somewhat higher limits for the same coverage enhancements. Refer to **Table 96.A.4.b.** below for more information.

**2. Eligibility**

Attach the Manufacturers Coverage Enhancement Endorsement to any manufacturing risk when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).

**3. Form**

Use the Manufacturers Coverage Enhancement Endorsement, **FM 600.0.1310**. This endorsement extends or broadens coverage provided by the ISO Property forms.

**4. Premium Determination**

The premium charge for the Manufacturers Coverage Enhancement Endorsement, **FM 600.0.1310**, is an annual flat charge, as shown in **Table 96.A.4.a** below. This premium charge will vary, depending on the Limit of Insurance option selected.

The premium is not subject to modification. However, it is subject to the policy deductible and the corresponding deductible modification factor that would apply.

Coverage	Option 1	Option 2	Option 3	Option 4
Premium Charge	\$200	\$400	\$775	\$1,400

**Table 96.A.4.a. Coverage Options and Premiums**

COVERAGE ENHANCEMENTS		Limits of Insurance - Applicable Options							
		Option 1 [ ]		Option 2 [ ]		Option 3 [ ]		Option 4 [ ]	
A. Brands and Labels		\$	5,000	\$	10,000	\$	25,000	\$	50,000
B. Contract Cancellation		\$	10,000	\$	25,000	\$	50,000	\$	100,000
C. Employee Tools and Work Clothing	Each Item Aggregat e	\$	500	\$	500	\$	500	\$	500
		\$	2,500	\$	5,000	\$	7,500	\$	10,000
D. Fairs, Trade Shows and Exhibitions		\$	15,000	\$	20,000	\$	25,000	\$	50,000
E. Inventory Expenses		\$	5,000	\$	10,000	\$	25,000	\$	50,000
F. Marring or Scratching		\$	5,000	\$	10,000	\$	25,000	\$	50,000
G. Newly Acquired Locations Additional Limits - Business Income and Extra		\$	25,000	\$	50,000	\$	100,000	\$	150,000

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

Expense									
H. Patterns, Dies, Molds and Forms Owned By Others		\$	5,000	\$	10,000	\$	25,000	\$	50,000
I. Research and Development Documentation & Prototypes	Direct Damage	\$	5,000	\$	10,000		\$25,000		\$50,000
	Business Income	\$	Incl	\$	Incl		Incl		Incl
Blanket Limit For All Enhancements		\$	50,000	\$	100,000	\$	250,000	\$	500,000

Table 96.A.4.b. Coverage Enhancements and Limit of Insurance Options

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 97. COMMERCIAL RESIDENTIAL REAL ESTATE SEGMENT**


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**A. Condominium Coverage Enhancement Endorsement****1. Description**

The Condominium Coverage Enhancement Endorsement, **FM 600.0.1311**, is an optional endorsement that provides coverage enhancements to condominium risks. It applies to and modifies the Property section of Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

Coverage applies for each Coverage Enhancement included in the endorsement and its corresponding Schedule, however, the applicable limit of insurance will vary depending upon which of the four (4) Limit of Insurance options was selected by the insured. Option 1 offers lower limits, while Options 2, 3 and 4 offer incrementally higher limits for some of the coverage enhancements. Refer to **Table 97.A.4.b.** below for more information.

**2. Eligibility**

Attach the Condominium Coverage Enhancement Endorsement to any condominium risk when the policy also contains the Condominium Association Coverage Form (**CP 00 17**) and the Causes of Loss – Special Form (**CP 10 30**).

Apartment and Co-op risks are not eligible for this endorsement.

**3. Form**

Use the Condominium Coverage Enhancement Endorsement, **FM 600.0.1311**. This endorsement extends or broadens coverage provided by the ISO Property forms.

**4. Premium Determination**

The premium charge for the Condominium Coverage Enhancement Endorsement, **FM 600.0.1311**, is an annual flat charge, as shown in **Table 97.A.4.a** below. This premium charge will vary, depending on the Limit of Insurance option selected.

The premium is not subject to modification. However, it is subject to the policy deductible and the corresponding deductible modification factor that would apply.

Coverage	Option 1	Option 2	Option 3	Option 4
Premium Charge	\$100	\$175	\$250	\$325

**Table 97.A.4.a. Coverage/Limit of Insurance Options and Premiums**

COVERAGE ENHANCEMENTS	Limits of Insurance - Applicable Options			
	Option 1 [ ]	Option 2 [ ]	Option 3 [ ]	Option 4 [ ]
<b>A.</b> Bridges, Roadways, Walks, Patios or Other Paved Surfaces	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000
<b>B.</b> Business Income - Maintenance Fees	\$ 5,000	\$ 10,000	\$ 15,000	\$ 25,000
<b>C.</b> Expediting Expenses	\$ 5,000	\$ 15,000	\$ 20,000	\$ 25,000
<b>D.</b> Expenses to Restore Land	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000
<b>E.</b> Fungus - Limited Coverage Additional Limit	\$ 5,000	\$ 5,000	\$ 10,000	\$ 10,000
<b>F.</b> Other Structures	\$ 5,000	\$ 10,000	\$ 15,000	\$ 25,000
<b>G.</b> Retaining Walls	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

<b>Blanket Limit for All Enhancements</b>	<b>\$</b>	<b>25,000</b>	<b>\$</b>	<b>50,000</b>	<b>\$</b>	<b>75,000</b>	<b>\$</b>	<b>100,000</b>
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**Table 97.A.4.b. Coverage Enhancements and Limit of Insurance Options**

**B. Outdoor Swimming Pool Coverage Endorsement**

**1. Description**

The Outdoor Swimming Pool Coverage Endorsement, **FM 600.0.1313**, is an optional endorsement that provides coverage enhancements to residential condominium and apartment risks when the policy covers all building and business personal property of the insured. It applies to and modifies the Property section of Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

**2. Eligibility**

Attach the Outdoor Swimming Pool Coverage Endorsement to any residential condominium or apartment risk when the policy also contains the Building and Personal Property Coverage Form (CP 00 10) or the Condominium Association Coverage Form (CP 00 17). However, coverage under this endorsement is subject to the Causes of Loss – Basic Form (**CP 10 10**) only, despite any other Causes of Loss Form that might apply to the policy. When attached, the Outdoor Swimming Pool Coverage Endorsement applies to outdoor, in-ground swimming pools and/or hot tubs only.

**a. Ineligible Risks**

This endorsement does not apply when coverage is provided for one (1) to four (4) family dwellings, including such dwellings that are incidental to residential condominium or apartment risks.

**3. Form**

Use Outdoor Swimming Pool Coverage Endorsement, **FM 600.0.1313**. This endorsement extends or broadens coverage provided by the ISO Property forms to cover outdoor, in-ground swimming pools and/or hot tubs only.

**4. Premium Determination**

Use CSP Class Code 1190 applicable to property described and covered under this endorsement.

**a.** For Basic Group I Causes of Loss - Rate using the Basic Group I loss cost that applies to SWIMMING POOLS IN THE OPEN – IN GROUND (CSP 1190) based on public protection and found under ISO Multistate Rule **85.L.3**. Special Class – Loss Costs of the Loss Costs/Rates section of the ISO Division Five Commercial Lines Manual.

**b.** For Basic Group II Causes of Loss – Refer to Multistate Rule **85.L.3**. Special Class – Loss Costs in the Loss Cost/Rates section to obtain the BG II symbol that applies to SWIMMING POOLS IN THE OPEN – IN GROUND (CSP 1190). Based on this symbol, rate each pool using the BG II loss cost shown under Rule **70.E.2.e.** of the State Exception Pages.

**5. Deductible**

A minimum deductible of \$2,500 applies to the Outdoor Swimming Pool Coverage Endorsement. For applicable deductible factors or higher deductibles, refer to Rule **81.** in the ISO State Exception Pages of the Division Five Commercial Lines Manual.

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**RULE 98. AGRICULTURAL SEGMENT**

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**A. Contamination of Perishable Stock Endorsement****1. Description**

The Contamination of Perishable Stock Endorsement, **FS 600.0.1314**, is an optional endorsement that may be used for Agricultural Segment risks engaged in produce processing and storage. It provides coverage for contamination, including contamination by refrigerants, lubricants and other fluids that drive the operation of processing machinery. No coverage is provided for power outage, breakdown or change in temperature or humidity. Coverage applies for each described premises shown in the endorsement Schedule for which a Limit of Insurance, deductible and selling price is shown.

**2. Eligibility**

Attach the Contamination of Perishable Stock Endorsement, **FS 600.0.1314** to any agricultural risk engaged in produce processing and storage; and when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**) and the Causes of Loss – Special Form (**CP 10 30**).

This endorsement applies to and modifies the Property section of Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

**3. Form**

Use the Contamination of Perishable Stock Endorsement, **FS 600.0.1314**.

**4. Premium Determination**

Use a rate of .65. Multiply this rate by the applicable Limit of Insurance in hundreds to determine the premium. If Selling Price applies, multiply the .65 rate by a factor of 1.40.

**5. Deductible**

Coverage under this endorsement is subject to a minimum deductible of \$500. For higher deductibles, use the appropriate Other Causes of Loss deductible credit factors provided under Rule **81**. in the Division Five Commercial Lines Manual.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 101. RURAL TELECOMMUNICATIONS PROVIDERS PROGRAM**


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**A. Rural Telecommunications Providers Gold Choice Property Coverage Enhancement, FS 600.0.1325 05 14**

**Description:** The Rural Telecommunications Providers Gold Choice Property Coverage Enhancement Endorsement is an optional endorsement that provides coverage enhancements to existing Commercial Property insurance programs for risk engaged in the distribution of internet service, telephone and telegraph service, cable TV service, radio or TV stations or a trade association that represents such business. Typically, these coverage enhancements are only available by separate endorsement. This endorsement is attached at the insured's option when broader coverage is desired, subject to the premium charge shown below.

**B. Eligibility**

1. Attach the above forms only to policies that also contain the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).
2. Applies to and modifies Commercial Package policies (CMP) and / or Commercial Monoline Property policies (Fire).

**C. Coverage:**

1. Offers the insured coverage enhancements that are "included" as part of an automatic blanket (or basket aggregate) limit of \$250,000, unless one of the higher limit options is selected by the insured. The available basket aggregate limit options are \$250,000 (automatic), \$500,000 or \$1,000,000 for select coverage described in the endorsement's Section I. Schedule. The insured selects the desired limit option, subject to a nominal premium charge. See the Premium Determination rule below
2. In addition, to the automatic blanket limit, the endorsement offers additional coverage enhancements that either modify or are in addition to the coverage granted under the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). The limits offered replace, add to or increase the limits provided by such Coverage Forms. In addition, the endorsement includes some new coverage and limits not currently provided by the applicable Coverage Forms. These additional coverage enhancements apply for each Enhancement shown in the endorsement's Section I. Schedule of Insurance, unless specifically excluded, as indicated by a checkmark in the "Coverage Excluded" box in the last column of Section I. Schedule. The underwriter may opt to exclude a particular Coverage Enhancement for reasons that may involve a risk with existing coverage elsewhere or a risk with exposures greater than those anticipated by this endorsement.

- D. Premium Determination:** The premium charge for this endorsement is a flat, annual premium charge, based on the following available basket aggregate limit options. The insured selects the desired limit option. Premium is not adjusted by Package Modification, Experience or Schedule Rating (IRPM). This flat charge includes the Additional Coverage Enhancements shown in the Enhancement Endorsement under Section I. Schedule of Insurance.

<b>Automatic Blanket Limit (Basket Aggregate)– Insured Selects One Only</b>	<b>Annual, Flat Premium Charge</b>
\$250,000	\$250,000
\$500,000	\$500,000
\$1,000,000	\$1,000,000

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

- F. Optional Higher Limits:** Higher limits should be calculated using available ISO rates and rules found under CLM Division Five. Premium should be charged only on the additional limits above what is provided through the default limits under the Rural Telecommunications Providers Gold Choice Property Enhancement Endorsement.

For higher coverage limits not addressed by ISO rating rules, use the following additional rules:

Pole Mounted Equipment – To provide increased limits above those provided in the Enhancement Endorsement, charge .50 per \$100 of insurance.

WITHDRAWN



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**RULE 75. EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)**

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The following is added to Rule 75.:

**EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT) FORM –  
FIXED DOLLAR DEDUCTIBLE**

**AA. Description Of Coverage**

This optional insurance provides coverage for loss by earthquake and volcanic eruption, explosion or effusion at a limit of insurance lower than the limit for other causes of loss, subject to an annual aggregate.

**BB. Forms**

1. Use Earthquake And Volcanic Eruption Endorsement (Sub-limit Form) – Fixed Dollar Deductible, **MP 04 005**; and
2. Use Earthquake – Volcanic Eruption Coverage Schedule, **MP 06 004** in conjunction with endorsement **MP 04 005**.

**CC. Rules**

**1. Coinsurance**

The Coinsurance Condition does not apply to the coverage provided under Endorsement **MP 04 005**.

**2. Specific And Blanket Insurance**

- a. For policies containing more than one item of covered property, Earthquake – Volcanic Eruption Coverage may apply to any or all items. Designate in Schedule **MP 06 004** or in the Declarations the items to which Endorsement **MP 04 005** applies.
- b. Insurance under Endorsement **MP 04 005** may be written on a specific or blanket basis. Enter the selected limit(s) of insurance in Schedule **MP 06 004** or in the Declarations.
- c. A single blanket limit may be written for all property, locations and coverages (e.g., property damage and time element) under a policy. Or, different blanket limits may be written for different groups of items, locations and coverages. For rating instruction on combining property damage coverage with time element coverage, refer to Paragraph **CC.6.d**.
- d. When Earthquake – Volcanic Eruption Coverage is written under a blanket limit(s), with other perils subject to specific limits, the specific limit is the maximum amount recoverable for an earthquake or volcanic eruption loss to the affected property or coverage.

**3. Limits Of Insurance**

- a. The limit of insurance under Endorsement **MP 04 005** is an annual aggregate limit, which applies to the total of all loss or damage that is caused by earthquake or volcanic eruption in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one earthquake or volcanic eruption during that period of time. If the first earthquake or volcanic eruption does not exhaust the limit of insurance, then the balance of that limit is available for a subsequent earthquake or volcanic eruption.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

- b. The limit of insurance stated for Earthquake – Volcanic Eruption is the maximum amount recoverable for loss or damage by earthquake or volcanic eruption. The Earthquake – Volcanic Eruption limit of insurance is not in addition to the limit of insurance that applies to other Covered Causes of Loss. For example, the maximum amount recoverable for the total of all loss or damage caused by an earthquake and fire resulting from the earthquake is the limit of insurance applicable to fire.
- c. Amounts payable under Additional Coverages and Coverage Extensions do not increase the Earthquake – Volcanic Eruption limit of insurance.

**4. Deductibles**

- a. Property damage coverage is subject to a fixed dollar deductible which applies to the value of property that sustains damage by earthquake or volcanic eruption.
- b. For deductible percentages, refer to Table **75.CC.6.a.(5)#FDD** provided below under Paragraph **CC.6.a.(5)**. Enter the applicable deductible percentage(s) in Endorsement **MP 06 004** or in the Declarations.

**5. Options**

- a. Endorsement **MP 04 005** may be used to limit coverage to "Earthquake – Sprinkler Leakage Only". This option is made applicable by appropriate entry in Endorsement **MP 06 004** or in the Declarations. Refer to Rule **74.F**.
- b. The masonry veneer limitation in Endorsement **MP 04 005** (which excludes loss to exterior masonry veneer but includes stucco on wood frame walls) may be deleted. Indicate in Endorsement **MP 06 004** or in the Declarations that the "Including Masonry Veneer" Option applies.

**6. Rating****a. Rate Determination – Sub-limit Form**

- (1) Refer to Rule **73.D.4.** to obtain Earthquake Building Classification.
- (2) Refer to the territory section for ZIP code-based definitions to determine the territory applicable to the location of the property being insured.
- (3) Determine the deductible tier, which is specified for each territory in Rule **73.** in the state rates.
- (4) Select an Earthquake loss cost (building, contents) from Rule **73.** in the state rates based on building classification and territory.
- (5) Determination of Sub-limit Factors:

Refer to Table **75.CC.6.a.(5)#FDD** below for sub-limit factors that apply when a fixed dollar deductible is used. The appropriate sub-limit factor is determined based on building classification, sub-limit percentage and deductible tier.

For sub-limit percentages not shown in Table **75.CC.6.a.(5)#FDD**, interpolate using the factors for the nearest sub-limit percentages above and below the selected sub-limit percentage. Do not round until the final step of the interpolation procedure.

Building Classes	Sub-Limit Percentage	All Territories
1C, 1D and 3B	5%	8.02
	10%	6.64
	15%	5.69
	20%	4.99

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

Building Classes	Sub-Limit Percentage	All Territories
	25%	4.44
	30%	3.97
	35%	3.60
	40%	3.27
	50%	2.78
	60%	2.40
	70%	1.84
2A, 2B and 4A	5%	6.60
	10%	5.49
	15%	4.71
	20%	4.16
	25%	3.74
	30%	3.38
	35%	3.09
	40%	2.83
	50%	2.45
	60%	2.12
	70%	1.71
3A, 4B and 5A	5%	6.12
	10%	5.14
	15%	4.44
	20%	3.94
	25%	3.54
	30%	3.21
	35%	2.97
	40%	2.72
	50%	2.36
	60%	2.08
	70%	1.68
3C, 4C, 4D, 5B and 5C	5%	8.97
	10%	7.45
	15%	6.38
	20%	5.64
	25%	5.03
	30%	4.60

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

Building Classes	Sub-Limit Percentage	All Territories
	35%	4.21
	40%	3.88
	50%	3.38
	60%	2.99
	70%	2.41
5AA	5%	6.50
	10%	5.62
	15%	4.98
	20%	4.48
	25%	4.09
	30%	3.75
	35%	3.50
	40%	3.29
	50%	2.90
	60%	2.60
	70%	2.12

**Table 75.CC.6.a.(5)#FDD - Sub-limit Factors – Deductible Tiers 1-3**

**b. Rate Determination – Sub-limit Form – Property Damage Coverage**

- (1) To obtain the building and personal property rates for Earthquake And Volcanic Eruption Sub-limit Coverage, multiply the Earthquake rate (building, contents) by the appropriate factor from Table **75.CC.6.a.(5)#FDD** shown above. The sub-limit percentage is the insurance-to-value ratio underlying the limit of insurance on the property.
- (2) If the building is over three stories in height, multiply the result of Paragraph (1) (building and/or personal property rates) by the appropriate factor from Table **73.D.8.** in the state exceptions. The appropriate factor is determined based on building classification and deductible tier.
- (3) If the building is sprinklered (meaning, there is an operable sprinkler system in any part of the building), multiply the result of Paragraph (1) or (2) by a factor of 1.06.
- (4) If the Masonry Veneer Limitation of Endorsement **MP 04 005** is deleted, multiply the building rate resulting from Paragraph (1), (2) or (3) by the appropriate factor from Table **73.D.4.d.**
- (5) If there is a roof tank on the building, multiply the result of Paragraph (1), (2), (3) or (4) by a factor of 1.25.

**c. Rate Determination – Sub-limit Form – Time Element Coverage**

- (1) Select the Earthquake building loss cost.
- (2) Multiply the Earthquake building rate by the appropriate time element factor as specified in Rules **50.** and **52.**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

- (3) To obtain the time element rate for Earthquake And Volcanic Eruption Sub-limit Coverage, multiply the result of Paragraph (2) by .999. The .999 factor accounts for the reduction in protection inherent in the use of an annual aggregate limit.

**d. Rate Determination – Sub-limit Form – Blanket Coverage For Property Damage And Time Element**

- (1) Determine the 100% values for both property damage and time element coverages. To obtain the 100% values for property damage coverage, use the Statement Of Values Endorsement, **CP 16 15**. For time element coverage, other than Extra Expense Only, use the annual net income as the 100% value. For Extra Expense Only Coverage, use the Extra Expense limit of insurance for other perils as the 100% value.
- (2) Sum the 100% values for both property damage and time element coverages.
- (3) Divide the blanket sub-limit by the result of (2) to determine the sub-limit percentage.
- (4) For each item written under the blanket sub-limit, use the result from (3), the sub-limit percentage, to determine the sub-limit factor for that item. For property damage coverages, select the sub-limit factor from Table **75.CC.6.a.(5)#FDD**. For time element coverages, select a factor from multistate Table **50.E.3.b.#1** or Table **50.E.3.b.#2**. Apply a factor of 1.0 when coverage is for Extra Expense Only.
- (5) For each item written under the blanket sub-limit, select an earthquake loss cost from Rule **73**. in the state rates based on building classification and territory. (For time element items, select the earthquake building loss cost.)
- (6) For each item written under the blanket sub-limit, calculate the earthquake sub-limit rate by multiplying the earthquake sub-limit factor by the earthquake rate.
- (7) For each item written under the blanket sub-limit, multiply the 100% value determined in (1) by the earthquake sub-limit rate determined in (6). Total the results of these calculations.
- (8) Divide the total determined in (7) by the result of (2) to determine the earthquake sub-limit blanket average rate.
- (9) Multiply the result of (8) by the blanket sub-limit (in hundreds) to develop the blanket sub-limit premium.

For an example, see the Rating Examples Appendix.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
TABLE OF CONTENTS  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

DISTRICT OF COLUMBIA EXCEPTIONS

RULE NO.

PAGE NO.

80	Individual Risk Premium Modification Plan	CP-DC-RU-80-1
167	Business Income Changes – Ingress or Egress Coverage	CP-DC-RU-167-1
	Loss Cost Multipliers	CP-DC-LCM-1

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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LOSS COST MULTIPLIERS

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	<u>COMPANY</u>		
	United States Fire Ins. Co.	The North River Ins. Co.	Crum & Forster Indemnity Co.
Fire and Allied Lines	1.455	1.164	1.829
(deviation %)	0%	-20%	+26%

Note: The Standard LCM is: 1.455

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
TABLE OF CONTENTS  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

DISTRICT OF COLUMBIA EXCEPTIONS

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**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 80. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN**


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Paragraph **B.** is replaced by the following:

**B. Rating Procedure**

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modifications (if a credit) shall be increased or (if a debit) decreased by the amount of reduction in expense. The total credits or debits under the following table may not exceed 40%.

<b>INDIVIDUAL RISK PREMIUM MODIFICATION PLAN</b>			
<b>Risk Characteristics</b>		<b>Range of Modifications</b>	
		<b>Credit</b>	<b>Debit</b>
<b>A. Management</b> Cooperation in matters of safeguarding and proper handling of property coverage.		<b>15%</b>	<b>15%</b>
<b>B. Location</b> Accessibility and environment.		<b>7%</b>	<b>7%</b>
<b>C. Building Features</b> Age, condition and unusual structural features.		<b>15%</b>	<b>15%</b>
<b>D. Premises and Equipment</b> Care, condition and type.		<b>5%</b>	<b>5%</b>
<b>E. Employees</b> Selection, training, supervision and experience.		<b>3%</b>	<b>3%</b>
<b>F. Protection</b> Not otherwise recognized.		<b>5%</b>	<b>5%</b>

**C. Special Conditions**

This plan shall be applied after the application of all other rating procedures.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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**RULE 167. BUSINESS INCOME CHANGES – INGRESS OR EGRESS COVERAGE**

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Rule **167.** does not apply.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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LOSS COST MULTIPLIERS

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	<u>COMPANY</u>		
	United States Fire Ins. Co.	The North River Ins. Co.	Crum & Forster Indemnity Co.
Fire and Allied Lines	1.455	1.164	1.829
(deviation %)	0%	-20%	+26%

Note: The Standard LCM is: 1.455

---

**RULE 167. BUSINESS INCOME CHANGES – INGRESS OR EGRESS COVERAGE**

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Rule **167.** does not apply.

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 80. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN**


---

Paragraph **B.** is replaced by the following:

**B. Rating Procedure**

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modifications (if a credit) shall be increased or (if a debit) decreased by the amount of reduction in expense. The total credits or debits under the following table may not exceed 40%.

<b>INDIVIDUAL RISK PREMIUM MODIFICATION PLAN</b>			
<b>Risk Characteristics</b>		<b>Range of Modifications</b>	
		<b>Credit</b>	<b>Debit</b>
<b>A. Management</b> Cooperation in matters of safeguarding and proper handling of property coverage.		<b>15%</b>	<b>15%</b>
<b>B. Location</b> Accessibility and environment.		<b>7%</b>	<b>7%</b>
<b>C. Building Features</b> Age, condition and unusual structural features.		<b>15%</b>	<b>15%</b>
<b>D. Premises and Equipment</b> Care, condition and type.		<b>5%</b>	<b>5%</b>
<b>E. Employees</b> Selection, training, supervision and experience.		<b>3%</b>	<b>3%</b>
<b>F. Protection</b> Not otherwise recognized.		<b>5%</b>	<b>5%</b>

**C. Special Conditions**

This plan shall be applied after the application of all other rating procedures.

State: District of Columbia

TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)

Product Name: 2019 Commercial Property Manual Form/Rule Filing

Project Name/Number: /

First Filing Company: Crum &amp; Forster Indemnity Company, ...

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	n/a
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Actuarial Certification (P&C)
<b>Bypass Reason:</b>	n/a
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	n/a Rule only
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	n/a
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Redlines - Rules
<b>Comments:</b>	

**State:** District of Columbia  
**TOI/Sub-TOI:** 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)  
**Product Name:** 2019 Commercial Property Manual Form/Rule Filing  
**Project Name/Number:** /

**First Filing Company:** Crum & Forster Indemnity Company, ...

<b>Attachment(s):</b>	Rule 54_Common Time Element Options_tracked.pdf Rule 150_Earlier Notice of Cancellation and Non-renewal Provided by Us_tracked.pdf Rule 152_Excess Property Insurance_tracked.pdf Rule 153_Large Property Rating Plan_tracked.pdf Rule 154_Winery Coverage_tracked.pdf Rule 155_Gold Equipment Breakdown Enhancement Endorsement_tracked.pdf Rule 156_Property Coverage (Fairmont Ext Endorsements)_tracked.pdf Rule 157_Agricultural Property_tracked.pdf Rule 158_Craft Beverage Program_tracked.pdf Rule 159_Hotel Segment Property Coverage_tracked.pdf Rule 160_Gold Choice Property Enhancement Endorsement_tracked.pdf Rule 161_Social Services and Youth Servicing Organizations Program_tracked.pdf Rule 162_Manufacturers' Property Coverage Extension Endorsement_tracked.pdf Rule 163_Utility Services - Time Element Cov With Opt Waiting Periods End_tracked.pdf Rule 164_Utility Services - Direct Damage - Alternate Deductible Option Endorsement_tracked.pdf Rule 165_Spoilage Coverage - Alternate Deductible Option Endorsement_tracked.pdf Rule 166_Miscellaneous Unnamed Location Coverage Extension Endorsements_tracked.pdf Rule 167_Business Income Changes_Ingress or Egress Coverage_tracked.pdf Rule 168_Windstorm or Hail Percentage Deductibles With a Minimum Deductible_tracked.pdf Rule 169_Blanket Limit of Insurance Per Location Endorsement_tracked.pdf Rule 170_Covered Property Changes - Stock Endorsement_tracked.pdf Rule 171_Schedule Addendum_tracked.pdf Rule 172_Earlier Notice Of Canc Or Nonr With a Courtesy Notice To a Third Party_tracked.pdf Rule 173_Third Party Notice Of Cancellation Or Nonrenewal_tracked.pdf Rule 151_Multiple Location Premium And Dispersion Credit Plan_tracked.pdf Loss Cost Multipliers_rev.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	
<b>Satisfied - Item:</b>	Explanatory Memorandum
<b>Comments:</b>	
<b>Attachment(s):</b>	Rules Explanatory Memorandum_DC.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

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**RULE 54. COMMON TIME ELEMENT OPTIONS**


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~~Paragraph E. is added:~~

~~**E. Business Income Changes – Time Period**~~

~~**1. Description of Coverage**~~

~~The Business Income (and Extra Expense) Coverage Form **CP 00 30** and the Business Income (Without Extra Expense) Coverage Form **CP 00 32** may be amended to provide that the 72-hour time period contained in the "period of restoration" definition and in the Civil Authority additional coverage is deleted.~~

~~**2. Form**~~

~~Use **FM 600.0.1038**, Business Income Changes – Time Period Endorsement.~~

~~**3. Rate Modification**~~

~~Multiply the time element rate by a factor of 1.07.~~

The following are added to Rule 54.:

**AA. Business Income Changes – Actual Loss Sustained**

**1. Description of Coverage**

The Business Income (and Extra Expense) Coverage Form **CP 00 30** may be amended to provide coverage on an actual loss sustained basis with different periods of restoration.

**2. Forms**

Use one of the following forms:

- a. **MF 25 001** – Business Income Changes – Actual Loss Sustained 12 Month Period of Restoration;
- b. **MF 25 002** – Business Income Changes – Actual Loss Sustained 15 Month Period of Restoration;
- c. **MF 25 003** – Business Income Changes – Actual Loss Sustained 18 Month Period of Restoration; or
- d. **MF 25 004** – Business Income Changes – Actual Loss Sustained 24 Month Period of Restoration.

**3. Premium Determination**

To provide coverage on an actual loss sustained bases, apply the following procedure:

- a. Multiply the base rates by the appropriate 100% coinsurance percentage factor in **Table 50.E.3.b.#1** Business Income (and Extra Expense) Rate Factors to obtain the Business Income rates.
- b. Business Income (and Extra Expense) Coverage written on an actual loss sustained basis should be rated by determining an appropriate limit, which normally would be the annual sales of the insured. Multiply the annual sales by the appropriate factor in **Table 54.AA.3.b.** Actual Loss Sustained Factors:

Industry	Factor
Apartments	0.60
Condominiums	0.60
Building Lessor's Risk	0.60
Offices	0.60
Restaurants	0.50
Stores	0.30



## COUNTRYWIDE

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

Business Services	0.50
Manufacturing	0.65
Wholesale	0.25

Table 54.AA.3.5. Actual Loss Sustained Factors

- c. Then, multiply the Business Income rate, as determined in **a.** above, by the amount determined in **b.** above, in hundreds, to determine the Actual Loss Sustained premium.
- d. Lastly, apply the appropriate factor from **Table 54.AA.3.d.** Period of Restoration Factors to the resulting premium, as determined on **c.** above, based on the period of restoration.

Period of Restoration	Factor
12 Months	1.000
15 Months	1.040
18 Months	1.070
24 Months	1.140

Table 54.AA.3.d. Period of Restoration Factors

**BB. Business Income Changes – Time Period****1. Description of Coverage**

The Business Income (and Extra Expense) Coverage Form, **CP 00 30** and the Business Income (Without Extra Expense) Coverage Form, **CP 00 32** may be amended to provide that the 72-hour time period contained in the "period of restoration" definition and in the Civil Authority additional coverage is deleted.

**2. Form**

Use **FM 600.0.1038**, Business Income Changes – Time Period Endorsement.

**3. Rate Modification**

Multiply the time element rate by a factor of 1.07.

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COUNTRYWIDE

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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**RULE ~~89~~150. EARLIER NOTICE OF CANCELLATION AND NON-RENEWAL PROVIDED BY US**

---

**A. Eligibility**

This endorsement can be added to any risk that meets our minimum underwriting requirements, on the basis of our mutual agreement with the insured. It is not mandatory.

**B. Form**

~~Amendment of Earlier Notice of~~ Cancellation and Non-Renewal ~~Policy Conditions~~ Provided By Us,  
~~FM 303.0.14.~~

**C. Premium**

There is no premium charge.

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**RULE ~~73~~152. EXCESS PROPERTY INSURANCE**

---

**A. Description**

These endorsements are used when participating on coverage in a portion of a layer or a layer of risk and following form, terms and conditions of the primary carrier.

**B. Form**

Use **CP 01** Excess Property Insurance - provides terms of coverage and **CP 02** Excess Property Endorsement - Schedule form to show participation in layers.

**C. Eligibility**

Those risks that are layered, that we are participating on a portion of a layer or providing coverage for a layer that is part of the entire risk.

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE ~~85~~153. LARGE PROPERTY RATING PLAN**


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**A. Description**

This Rating Plan intends to enable a fair and flexible Company response to the individual and unique requirements of large commercial property insureds.

**B. Eligibility**

This Rating Plan may be used for all commercial property risks which:

~~1.~~ ~~A~~ are eligible for insurance under the applicable commercial insurance programs of the Company; and:

- ~~a~~1. Carry a property deductible of at least \$5,000; or
- ~~b~~2. Have Total Insured Values of at least \$25,000,000; or
- ~~c~~3. Contain 5 separate locations; or
- ~~d~~4. Develop an annual manual monoline property premium of at least \$25,000.

**C. Terms and Conditions**

The terms and conditions of insurance provided in conjunction with this Rating Plan may be individually determined based upon the individual and unique characteristics, circumstances, exposures and insurance requirements of each risk.

**D. Premium Determination**

Premiums for risks written under this Rating Plan shall be judgmentally determined based upon the guidelines contained in the following tables of Base Rates and Base Rate Adjustment Factors, considered in relation to the specific characteristics and potential loss-producing qualities of each risk.

- 1. Premiums developed under this Rating Plan shall not be subject to further modification by other risk dispersion, experience, schedule or individual risk premium modification plans.
- 2. Company files will contain documentation of rationale for all risks rated under this Plan.

*Base Property Rates – All Perils - Buildings, Contents and Business Interruption Values*

Group	Classes	Rate
<b>Manufacturing</b>		
M1	Stone Products	.05
M2	Automakers, Ceramics, Glass Products, Metal Products	.075
M3	Frozen Food Products, Pharmaceutical Products	.11
M4	Bottlers, Breweries, Meat Packers Textile Mills	.125
M5	Canneries, Carpet Mills, Foundries, Plastic Products, Rubber Products	.175
M6	Agricultural Products, Clothing Products, Distilleries, Produce Processors, Paper Products, Wood Products	.25
M7	Chemicals, Essential Oils, Flour Mills, Gases, Petroleum Products, Reagents, Refineries	.35
<b>Non-Manufacturing</b>		
NM1	Banks, Hospitals, Museums, Parking Garages, Stadiums, Water Utilities	.03
NM2	Airports, Arenas, Malls, Municipal Buildings, Office Towers, Telecom Utilities	.05

## COUNTRYWIDE

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

NM3	Apartment Towers, Hotels, Laboratories, Nursing Homes	.08
NM4	Houses of Worship, Membership Clubs, Schools, Cold Storage Warehouses	.105
NM5	Auto Dealers, Condos, Retail Stores, Shopping Centers, Theaters	.15
NM6	Auto Repairs, Electric & Co-Gen Utilities, Garden Apartments, General Warehouses, Recyclers, Taverns, Wholesalers	.20
NM7	Arcades, Bowling Alleys, Granaries, Marinas, Night Clubs, Restaurants, Volatiles Dealers	.40

*Rate Group Exemplars**Physical Characteristics Expected by Base Rate Table*

Group	Construction	Public Protection	Private Protection
	<b>Manufacturing Classes</b>		
M1	3 Non Combustible	6 - 7	Non-Sprinklered
M2	3 Non Combustible	4 - 5	Sprinklered
M3	4 Masonry Non Combustible	4 - 5	Sprinklered
M4	5 Modified Fire Resistive	2 - 3	Sprinklered
M5	4 Masonry Non Combustible	5 - 6	Sprinklered
M6	4 Masonry Non Combustible	5 - 6	Sprinklered
M7	5 Modified Fire Resistive	3 - 4	Sprinklered
	<b>Non-Manufacturing Classes</b>		
NM1	6 Fire Resistive	1 - 2	Sprinklered
NM2	5 Modified Fire Resistive	1 - 2	Sprinklered
NM3	5 Modified Fire Resistive	3 - 4	Sprinklered
NM4	4 Masonry Non Combustible	5 - 6	Non-Sprinklered
NM5	3 Joisted Masonry	5 - 6	Non-Sprinklered
NM6	3 Joisted Masonry	6 - 7	Non-Sprinklered
NM7	1 Frame	7 - 8	Non-Sprinklered

**COUNTRYWIDE****COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

## Base Rate Adjustment Factors

<b>Characteristics</b>	<b>Rationale</b>	<b>Mod Range</b>
Coverage Mix	Building values predominate TIV Business Interruption values predominate TIV	.85 - 1.00 1.00 - 1.15
Concentration Risk	Amount Subject = Low % of TIV Amount Subject = High % of TIV	.75 - 1.00 1.00 - 1.25
Severity Risk	PML = Low % of Amount Subject PML = High % of Amount Subject	.50 - 1.00 1.00 - 1.50
Frequency Risk	Decreasing annual claim: exposure trend Increasing annual claim: exposure trend	.90 - 1.00 1.00 - 1.10
Risk Experience	Unprofitable historic loss ratio	1.00 - 1.50
Catastrophe Risk	Exposed to low probability cat events Exposed to high probability cat events	.85 - 1.00 1.00 - 3.00
Construction Quality	Superior construction quality Inferior construction quality or mixture	.80 - 1.00 1.00 - 1.20
Occupancy Quality	Inferior occupancy mixture	1.00 - 1.15
Unique Hazards / Controls	Extraordinary control of hazards Extraordinary degrees of hazard	.75 - 1.00 1.00 - 1.25
Public Protection Quality	Superior protection grading Inferior protection grading	.80 - 1.00 1.00 - 1.20
Private Protection Quality	Superior sprinkler grading, redundant water supply Inferior sprinkler grading, inadequate water supply	.75 - 1.00 1.00 - 1.25
External Exposure Quality	Hazardous external exposure	1.00 - 1.10
Ordinance & Law Risk	No claim inflation expected from post-loss code upgrades Strong claim inflation expected from post-loss code upgrades	.90 - 1.00 1.00 - 1.10
Pollution Clean-Up Risk	No claim inflation expected from post-loss clean-up Strong claim inflation expected from post-loss clean-up	.90 - 1.00 1.00 - 1.10
Water & Sewer Risk	Concentration of low lying, damageable, values	1.00 - 1.05
Transit / Off-Premises Risk	Greater exposure than anticipated	1.00 - 1.025
Theft Risk	Concentration of high risk values	1.00 - 1.05
Manuscript Risk	Standard coverages withdrawn Non-standard coverages conveyed	.70 - 1.00 1.00 - 1.30
Deductibles	Exceptional deductibles applied higher than policy deductible Exceptional deductibles applied lower than policy deductible	.80 - 1.00 1.00 - 1.20
Sub-Limits	Exceptional perils sub-limited to lower than policy limit	.90 - 1.00
Loss Limits	Loss Limit applies as a low % of TIV Loss Limit applied as a high % of TIV	.50 - 1.00 .95 - 1.00

## COUNTRYWIDE

COMMERCIAL LINES MANUAL  
 DIVISION FIVE  
 FIRE AND ALLIED LINES  
 EXCEPTION PAGES  
 UNITED STATES FIRE INSURANCE COMPANY  
 THE NORTH RIVER INSURANCE COMPANY  
 CRUM AND FORSTER INDEMNITY COMPANY

*Rate Range Against Minimum & Maximum Total Mods*

Group	Base Rate: \$100	@ Min .35 Mod	@ Max 4.0 Mod
M1	.05	.0175	.20
M2	.075	.0263	.30
M3	.11	.0385	.33
M4	.125	.0438	.50
M5	.175	.0613	.70
M6	.25	.0875	1.00
M7	.35	.1223	1.40
NM1	.03	.011	.12
NM2	.05	.0175	.20
NM3	.08	.028	.32
NM4	.105	.037	.42
NM5	.15	.053	.60
NM6	.20	.07	.80
NM7	.40	.14	1.60

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**RULE ~~90~~154. WINERY COVERAGE**

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**A. Winery Property Coverage Enhancement Endorsement, FM 600.0.1234****1. Description**

The Winery Property Coverage Enhancement Endorsement provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package Policies (CMP) and/or Commercial Monoline Property Policies (Fire). It will be attached to winery risks when the policy also contains the Building and Personal Property Coverage Form (CP 00 10), the Business Income (and Extra Expense) Coverage Form (CP 00 30) and the Causes of Loss – Special Form (CP 10 30).

Coverage applies for each Enhancement shown in Section I. Schedule of Insurance, unless specifically excluded, as indicated by a checkmark in the "Coverage Excluded" box in the last column of Section I. Schedule. The underwriter may opt to exclude a particular Coverage Enhancement for reasons that may involve a risk with existing coverage elsewhere or a risk with exposures greater than those anticipated by this optional endorsement, for which no premium charge is made.

**2. Form**

**FM 600.0.1234** – Winery Property Coverage Enhancement Endorsement

**3. Premium**

There is no premium charge for this endorsement.

**B. Wine Market Value, FM 600.0.1229****1. Description**

The Wine Market Value endorsement allows wineries to cover wine on a market value basis. It provides specific valuation provisions for bottled wine and bulk wine and provides that all values exclude unpaid taxes and discounts and expenses that the insured would otherwise have. It applies to and modifies Commercial Package Policies (CMP) and/or Commercial Monoline Property Policies (Fire) when the Building and Personal Property Coverage Form (CP 00 10) is attached. It is applicable to winery risks only.

**2. Form**

**FM 600.0.1229** – Wine Market Value

**3. Premium**

There is no premium charge for this endorsement.

**C. Increased Limits For Specified Winery Coverage Enhancements**

The following specified Winery Coverage Enhancements are included under **FM 600.0.1234**, subject to the limit specified in the endorsement. The amount of such coverage may be increased by endorsing the policy to the optional higher limits shown in the table below, subject to a premium charge, where applicable.

Use the Increased Limits Exception Schedule – Winery Property Coverage Enhancement Endorsement, **FM 600.0.1275**.



**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

<b>Coverage Enhancement</b>	<b>Increased Limits</b>	<b>Premium Charge</b>
Trellis and Vines	\$50,000	Included at No Charge
	\$100,000	\$50 Flat Premium Charge
	\$150,000	\$100 Flat Premium Charge
Contamination (Wine)	\$500,000	Included at No Charge
	Next \$500,000	0.0500 Per \$100 of limit
	Over \$1,000,000	0.0250 Per \$100 of limit
Wine Leakage	\$500,000	Included at No Charge
	Next \$500,000	0.0500 Per \$100 of limit
	Over \$1,000,000	0.0250 Per \$100 of limit
Property Off-Premises	\$250,000	Included at No Charge
	\$500,000	\$200 Flat Premium Charge
	\$750,000	\$350 Flat Premium Charge
	\$1,000,000	\$500 Flat Premium Charge

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**RULE 92155. GOLD EQUIPMENT BREAKDOWN COVERAGE ENHANCEMENT ENDORSEMENT**

- 1. Description:** The Gold Equipment Breakdown Coverage Enhancement Endorsement provides coverage for fortuitous mechanical breakdown of pressure, mechanical and electrical equipment.
- 2. Form:** Use form **MF 04 007**, Gold Equipment Breakdown Coverage Enhancement Endorsement. Use form **MF 06 003**, Gold Equipment Breakdown Coverage Enhancement Endorsement Schedule to increase base limit(s) offered in **MF 04 007** or if different deductible options are desired.
- 3. Eligibility:** Any risk eligible for Commercial Property is eligible for Equipment Breakdown
- 4. Rules:** If this coverage applies, attach the endorsement to the policy and charge an additional premium as determined in Step 5. below.
- 5. Premium Determination**

A premium charge is required for each location where coverage applies. Rate each location separately (see exceptions to Rule f.).

**a. Property Damage (PD) Premium**

- (1)** Determine the average 100% Insurable Value for the eligible occupancy where the Equipment Breakdown coverage will apply (also see Rule f.).

**Definitions of Insurable Value**
**Owner, Owner Occupied**

100% Building + Contents (Excluding Stock) Replacement Value for all covered buildings & contents at a Location.

**Owner, Not Owner Occupied**

100% Building Replacement Value for all covered buildings at a Location.

**Tenant**

100% Contents (Excluding Stock) Replacement Value

Note: A tenant renting an entire building and who is responsible for the building equipment (Heating, A/C, Electrical) is to be rated the same as an "Owner, Owner Occupied"

**Farmowners**

100% Coverage A + Coverage E Limits

- (2)(a)** Determine the Rating Group ID (see below). Multiply the rate that corresponds with the value calculated above. Multiply the rate by the value in 100's. For values not shown, use the formula as illustrated below.

Rating ID	Description
A1	Buildings, Offices, Retail Sales & Services, etc.
A2	Places of Public Assembly, Hotels/Motels, Stores with Refrigeration, etc.
B	Commercial Printing, etc.
C1	Healthcare (Not including Hospitals), etc.
C2	Healthcare (Including Hospitals and Diagnostic Services), etc.
D	Food Processing and Storage, etc.
E	Metals & Electronics Manufacturing, etc.
F	Textiles, etc.
G	Rubber & Plastics, etc.

## COUNTRYWIDE

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

H	Light Manufacturing, etc.
I	General Utility Services, etc.

<b>Table A</b>												
Rating ID	A1		A2		B		C1		C2		D	
Formula Constants	C	e	C	e	C	e	C	e	C	e	C	e
	9.772	0.752	11.023	0.752	8.714	0.530	6.413	0.650	8.397	0.650	7.904	0.607
Insurable Value	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem
\$100,000	\$0.3056	\$306	\$0.3447	\$345	\$0.7590	\$759	\$0.3214	\$321	\$0.4208	\$421	\$0.4829	\$483
\$200,000	\$0.1814	\$363	\$0.2046	\$409	\$0.5256	\$1,051	\$0.2048	\$410	\$0.2682	\$536	\$0.3171	\$634
\$400,000	\$0.1077	\$431	\$0.1215	\$486	\$0.3640	\$1,456	\$0.1305	\$522	\$0.1709	\$684	\$0.2082	\$833
\$500,000	\$0.0910	\$455	\$0.1027	\$513	\$0.3234	\$1,617	\$0.1129	\$565	\$0.1478	\$739	\$0.1818	\$909
\$600,000	\$0.0794	\$476	\$0.0895	\$537	\$0.2936	\$1,762	\$0.1003	\$602	\$0.1313	\$788	\$0.1627	\$976
\$800,000	\$0.0639	\$511	\$0.0721	\$577	\$0.2521	\$2,017	\$0.0832	\$666	\$0.1089	\$871	\$0.1367	\$1,093
\$1,000,000	\$0.0540	\$540	\$0.0610	\$610	\$0.2240	\$2,240	\$0.0720	\$720	\$0.0942	\$942	\$0.1194	\$1,194
\$2,000,000	\$0.0321	\$642	\$0.0362	\$724	\$0.1551	\$3,103	\$0.0459	\$917	\$0.0600	\$1,201	\$0.0784	\$1,567
\$3,000,000	\$0.0236	\$709	\$0.0267	\$800	\$0.1251	\$3,754	\$0.0352	\$1,057	\$0.0461	\$1,384	\$0.0613	\$1,838
\$4,000,000	\$0.0190	\$762	\$0.0215	\$859	\$0.1074	\$4,297	\$0.0292	\$1,169	\$0.0383	\$1,530	\$0.0515	\$2,058
\$5,000,000	\$0.0161	\$805	\$0.0182	\$908	\$0.0955	\$4,773	\$0.0253	\$1,264	\$0.0331	\$1,655	\$0.0449	\$2,247
\$10,000,000	\$0.0096	\$956	\$0.0108	\$1,078	\$0.0661	\$6,611	\$0.0161	\$1,611	\$0.0211	\$2,109	\$0.0295	\$2,950
\$20,000,000	\$0.0057	\$1,134	\$0.0064	\$1,280	\$0.0458	\$9,156	\$0.0103	\$2,053	\$0.0134	\$2,688	\$0.0194	\$3,874
> \$20,000,000	\$0.0057	*	\$0.0064	*	\$0.0458	*	\$0.0103	*	\$0.0134	*	\$0.0194	*

\*Premium is dependent on the insurable value

<b>Table A (continued)</b>										
Rating ID	E		F		G		H		I	
Formula Constants	C	e	C	e	C	e	C	e	C	e
	6.297	0.571	2.301	0.462	27.704	0.664	4.244	0.534	5.765	0.550
Insurable Value	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem	Rate	Prem
\$100,000	\$0.4541	\$454	\$0.2746	\$275	\$1.3018	\$1,302	\$0.3629	\$363	\$0.4579	\$458
\$200,000	\$0.3057	\$611	\$0.1994	\$399	\$0.8216	\$1,643	\$0.2506	\$501	\$0.3128	\$626
\$400,000	\$0.2058	\$823	\$0.1448	\$579	\$0.5185	\$2,074	\$0.1731	\$692	\$0.2136	\$855
\$500,000	\$0.1812	\$906	\$0.1306	\$653	\$0.4471	\$2,236	\$0.1537	\$768	\$0.1890	\$945
\$600,000	\$0.1632	\$979	\$0.1201	\$720	\$0.3961	\$2,377	\$0.1394	\$836	\$0.1709	\$1,026
\$800,000	\$0.1385	\$1,108	\$0.1051	\$841	\$0.3273	\$2,618	\$0.1196	\$956	\$0.1459	\$1,167
\$1,000,000	\$0.1219	\$1,219	\$0.0948	\$948	\$0.2822	\$2,822	\$0.1061	\$1,061	\$0.1291	\$1,291
\$2,000,000	\$0.0821	\$1,642	\$0.0689	\$1,377	\$0.1781	\$3,562	\$0.0733	\$1,466	\$0.0882	\$1,763
\$3,000,000	\$0.0651	\$1,954	\$0.0571	\$1,713	\$0.1361	\$4,082	\$0.0590	\$1,771	\$0.0705	\$2,116
\$4,000,000	\$0.0553	\$2,210	\$0.0500	\$2,000	\$0.1124	\$4,496	\$0.0506	\$2,025	\$0.0602	\$2,408
\$5,000,000	\$0.0486	\$2,432	\$0.0451	\$2,256	\$0.0969	\$4,846	\$0.0449	\$2,247	\$0.0533	\$2,663
\$10,000,000	\$0.0327	\$3,275	\$0.0328	\$3,276	\$0.0612	\$6,117	\$0.0310	\$3,103	\$0.0364	\$3,637

## COUNTRYWIDE

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

\$20,000,000	\$0.0220	\$4,409	\$0.0238	\$4,757	\$0.0386	\$7,721	\$0.0214	\$4,286	\$0.0248	\$4,969
> \$20,000,000	\$0.0220	*	\$0.0238	*	\$0.0386	*	\$0.0214	*	\$0.0248	*

Premium is dependent on the insurable value

To determine the rate for intermediate values, apply the following calculation:

$$=C/(V/1000)^e \quad \text{Where V is the insurable value.}$$

Example: Rating ID A1	V: \$400,000	\$0.1077	= 9.772/(400000/1000) <sup>0.752</sup>
	C: 9.772	\$431	= \$400,000/100 x 0.1077
	e: 0.752		

**(b) Actual Cash Value**

If the valuation of loss is on an Actual Cash Value basis, multiply the base premium from (2)(a) by a factor of 0.870.

**(3) Inspection and LAE Expense Modification**

The Base Premium determined in Step (2) includes average countrywide charges for Inspection and Loss Adjustment Expense (LAE). The amount charged for these activities may be adjusted using the following steps. If no adjustment is being made, use the Base Premium from Step (2) and proceed to Step (4).

- (a) Using the applicable state's rules governing certificate object inspections, calculate the annual average cost to inspect all policy locations for jurisdictional requirements. Add to this any annual cost expected for loss control activities and for LAE.
- (b) Divide the Base Premium from Step (2) by a factor of 5.850 to obtain the Loss Dollars to be used in the calculation of the adjusted Base Premium. Add the dollar amount determined in Step (a) above to those Loss Dollars. Multiply the total dollars by a factor of 2.056 to determine the Base Premium including the adjusted Inspection and LAE Expense.

**(4) Equipment Modification**

The Base Premium includes loss content for all general types of equipment used in building operating systems. The premium may be modified to reflect absence of certain types of equipment or additional equipment not contemplated in the rates.

- (a) Select the Equipment Modification (EM) factor(s) for all applicable items.

EM Factors	Equipment / Conditions
0.150	Risk has diagnostic equipment
(0.240)	Risk does not have any steam or hot water boilers
0.200	Risk uses steam for processing
0.500	Risk has printers with more than 3 color capability
0.100	Risk has products in refrigerated storage
(0.150)	Risk does not have any A/C > 50 hp
(0.350)	Risk does not have any A/C equipment
(0.050)	Risk does not have any owned transformers
0.200	Presses greater than 250 but no larger than 500 tons
0.400	Presses greater than 500 tons

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

- (b) Add all EM Factors together and add to 1.000 to create a factor to modify the premium. Multiply the premium from Step (3) by this factor.

**(5) Optional PD Deductibles**

The base rates contemplate a deductible of \$500.

- (a) If a deductible other than \$500 is desired, select the applicable Deductible Factor from Table B.

**Table B**

<b>Deductible Factors</b>	
<b>Deductible</b>	<b>Factor</b>
\$250	1.100
\$500	1.000
\$1,000	0.944
\$1,500	0.910
\$2,500	0.868
\$5,000	0.809
\$10,000	0.750
\$25,000	0.700
\$50,000	0.660
\$75,000	0.640

For intermediate values, use next lower deductible for table entry.

- (b) Multiply the adjusted premium from Step (4) above by the Deductible Factor.

**(6) Optional Sublimits**

These base rates contemplate up to \$25,000 of coverage at no charge for the following sublimited coverages. These sublimit(s) may be increased to one of the optional limits shown. Only the sublimit values shown may be used.

<b>Sublimit</b>	<b>Expediting Expenses</b>	<b>Spoilage</b>		<b>Hazardous Substances</b>	<b>Data Restoration</b>
		<b>A</b>	<b>B</b>		
\$50,000	0.9	0.6	3.2	0.9	2.5
\$75,000	1.5	1.0	5.0	1.5	4.0
\$100,000	1.9	1.2	6.2	1.9	5.0
\$250,000	3.1	2.0	10.4	3.1	8.4
\$500,000	4.1	2.8	13.6	4.1	10.9
\$1,000,000	5.0	3.4	16.6	5.0	13.4

A - Risks that have minimal amount of perishable goods in storage but desire higher sublimit anyway.

B - Risks that have perishable goods in storage, process, or being manufactured with value usually equal to or greater than the sublimit.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

If a PD deductible for a sublimited coverage is different than the policy PD deductible, multiply the applicable sublimit coverage percentage from the table above by a factor equal to (Table **B** factor for the optional sublimit deductible / Table **B** policy deductible factor). If the deductible is being specified as a % of loss subject to a minimum to adjust the factor as described above. Use that adjusted percentage in the creation of the final sublimit factor below.

If a sublimit higher than \$25,000 applies for a sublimited coverage, determine the percentage charge for the applicable coverage and sublimit from the table above. Add all such percentages together, convert to decimal form and add to 1.000 to create a factor to modify the premium. Multiply the premium from Step (5) by this factor.

**b. Business Income (BI), Extra Expense (EE) and Service Interruption (SI) Coverages**

**(1) Both Business Income and Extra Expense Coverages Being Provided**

**(a)** Determine the 100% Annual BI value for the locations rated for PD above.

**(b) Base Rate**

The base rates contemplate both BI, EE and SI coverages. Determine the Base Rate from the following table. Use the same "Eligibility Table" used to enter Table **A** in Rule 5.b.

Rating Group ID	A1 & A2	B	C1 & C2	D	E	F	G	H	I
Base Rate	\$0.050	\$0.085	\$0.038	\$0.107	\$0.082	\$0.123	\$0.151	\$0.098	\$0.129

**(c) Base Premium**

Multiply the 100% Annual BI Value, in 100s, times the Base Rate selected in Step (b) above to obtain the Base Premium.

**(d) Equipment Modification**

Multiply the Base Premium from Step (c) by the Equipment Modification Factor used in Step a.(4)(b).

**(e) Deductible**

The Base Premium contemplates a deductible of 12 Hours (1/2 Day). If an optional deductible applies, multiply the premium from Step (d) by the applicable factor from Table C below.

Table C

<b>BI/EE Deductible Factors</b>			
Days	Factor	Days	Factor
1	0.968	6	0.817
2	0.920	7	0.801
3	0.885	8	0.788
4	0.857	9	0.776
5	0.835	10	0.765

**(f) Exposure Factor**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

Percent of Exposure is the percentage of the total business that will be affected by an accident to key equipment. Multiply the premium from step (e) by this factor. For intermediate percentages, use the next lower value.

Percent of Exposure	Exposure Factor
100	1.000
90	0.932
80	0.857
70	0.800
50	0.643
35	0.513
25	0.411
20	0.357
15	0.300
10	0.243
5	0.164

**(2) Business Income Coverage Only**

Calculate the premium Rule b.(1). Multiply the premium obtained by a factor of 0.909 to remove the 10% charge included in Extra Expense.

**(3) Service Interruption (SI)**

SI coverage is included. If it does not apply, multiply the premium from Steps (1) or (2) respectively by a factor of 0.870. This is the final BI plus EE or BI Only Premium.

**(4) Extra Expense (EE) Coverage Only**

**(a)** Determine the Extra Expense Limit that applies.

**(b)** Calculate a BI plus EE premium using Rule b.(1). Use the EE limit in 100s in Step b.(1)(c) instead of 100% Annual BI Value. Multiply the premium obtained by a factor of 0.909 to remove the 10% incremental charge for the EE coverage contained in the combined coverage.

**(c)** Multiply the premium from Step (b) by a factor of 0.870 to remove the charge for SI.

**(d)** Multiply the premium from Step (c) by a factor of 0.750 to obtain the final EE premium.

**c. Risk Modification**

	Range of Modifications	
	Credits	Debits
Evaluate the risk being rated in accordance with the following criteria:		
a. Age of equipment	10%	to 10%
b. Protection (Sheltering and Protective devices)	10%	to 10%
c. Maintenance of Equipment (preventive, testing, record keeping)	10%	to 10%
d. Accessibility (location of) and ease of repairing / replacing equipment	10%	to 10%
e. Condition of equipment (environment, housekeeping)	10%	to 10%
f. Unique situations (prototype, obsolete, foreign mfg., local availability of parts)	10%	to 10%

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**Total debit or credit cannot exceed 25%**

Note: DO NOT apply any other IRPM or schedule rating plan factors to premiums developed under these rules.

Risk Modification Premium Factor = 1.000 + Total Debit or Credit in decimal form.

Add the PD Premium from Step a. and the BI/EE, BI only or EE only Premium from Step b. together. Multiply that total premium by the Risk Modification Factor determined above.

**d. Multi-Location Discount Factors**

Multiply the premium from Step c. above by the applicable multi-location discount factor from the table below. "No. Locations" means number of locations on an individual policy. The definition of a location is a physical address. This is the final Equipment Breakdown Premium.

<b>No. Locations to be rated</b>	<b>Factor</b>
1-3	1.00
4-10	0.920
11-20	0.850
≥20	0.750

**e. Package Policy Credit Included**

Do not include these premiums when applying package credits for other coverage parts.

**f. Optional Methods For Simplified Rating**

The rating for a single risk with multiple locations or multiple risks that have the same rating group, coverage and risk exposure characteristics may be simplified by one of the following methods.

**(1) Average Rate per \$100 of Value**

Use one of the representative locations and calculate the premium using Steps a. through e. above. Divide that premium by the location TIV plus the BI value, if applicable, both in 100s. use this average rate times the applicable value for other locations to determine their Equipment Breakdown premium.

**(2) Factor of Property Premium**

Use one of the representative locations and calculate the premium using Steps a. through e. above. Divide that premium by the corresponding Commercial Property coverage premium. Use that factor times the Property premium for other locations to determine their Equipment Breakdown premium.

**(3) Factor of Package Policy Premium**

Use one of the representative locations and calculate the premium using Steps a. through e. above. Divide that premium by the corresponding Commercial Package Policy premium. Use that factor times the Package Policy premium for other locations to determine their Equipment Breakdown premium.

**(4) Flat Charge**

Use one of the representative locations to calculate the premium using Steps a. through e. above. Use the premium calculated to determine the Equipment Breakdown premium for each location.

Any premiums calculated using Rule f. must be recalculated annually and applied uniformly to all locations. Multiply the premiums resulting from this rule by a factor of .65 as the last step prior to rounding.



COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**g. Individual Risk Solutions**

Refer to company for rating or classifying any risk or exposure for which:

- (1) The manual company rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk.

Note: To the extent that consent-to-rate procedures apply, they must be followed.

- (2) The coverage to be written is broader than contained in the applicable standard coverage.

Note: To the extent that forms filing requirements apply, they must be followed.

- (3) Rating or classifying any risk or exposure for which there is no manual rate or applicable classification. Rates shall not be inadequate, excessive or unfairly discriminatory.

Companies should maintain complete files, including all details of the factors used in determining the rate or classification for a particular risk and make these files available for a state regulator. Such rates or classifications need not be filed with the state regulator. However, this shall not apply when a company has developed or prepared a manual or schedule of rates which includes a classification applicable to a risk being written.

To the extent that filing requirements apply to such a manual or schedule of rates, they must be followed.

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**RULE 93156. PROPERTY COVERAGE**

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**A. Description**

The Property Coverage Extension Endorsement is a coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire). It will be attached to commercial risks when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).

Coverage applies for each Coverage Extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on one (1) of four (4) separate Supplemental Schedules designed to fit certain risk types. The Supplemental Schedule must be used in conjunction with the Coverage Extension Endorsement. Limits provided will vary, depending on which Supplemental Schedule is selected.

**B. Forms****1. Property Coverage Extension Endorsement, FM 600.0.1284**

Use this endorsement to extend or broaden coverage provided by the ISO Property forms.

**2. Supplemental Schedules**

There are four (4) Supplemental Schedules to choose from, depending on the type of risk insured. Each Schedule provides the same additional coverage and coverage extensions, however, the amount of coverage or limit indicated may vary for select coverage. The Supplemental Schedule must be used in conjunction with the Property Coverage Extension Endorsement. Select and attach only one (1) of the following Schedules:

**a. FM 600.0.1285**

This is the Basic Supplemental Schedule. Use to provide a basic level of coverage to commercial property risks.

**b. FM 600.0.1286**

This is the Deluxe Supplemental Schedule. Use to provide higher limits, for select coverage, beyond the limits indicated in the Basic Supplemental Schedule.

**c. FM 600.0.1287**

This is the Premier Supplemental Schedule. Use to provide higher limits, for select coverage, beyond the limits indicated in the Deluxe Supplemental Schedule.

**d. FM 600.0.1288**

To provide coverage and limits specific to the needs of convenience store and service station risks.

**3. Premium**

The premium charge for the Property Coverage Extension Endorsement, **FM 600.0.1284**, is based on the percentage of the total property premium and subject to a minimum premium and maximum premium, as shown in the table below. The charge will vary, depending on the Supplemental Schedule selected in Paragraph B.2. above.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

Table of Premium Charges Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Basic	FM 600.0.1285	4.0%	\$400	\$3000
Deluxe	FM 600.0.1286	5.0%	\$600	\$3500
Premier	FM 600.0.1287	5.5%	\$750	\$5000
Convenience Stores and Service Stations	FM 600.0.1288	4.9%	\$600	\$3500

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**RULE 99157. AGRICULTURAL PROPERTY**

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**A. Property Coverage Extension Amendatory Endorsement – Agricultural****1. Description**

The Property Coverage Extension Amendatory Endorsement – Agricultural, **FM 600.0.1321**, is a change endorsement that applies to agricultural risks only. It provides up to \$100,000 in hay or straw coverage, redefines stock, adds an agricultural stock valuation, clarifies the deductible provision, and amends the Property Not Covered section as it relates to autos and trailers.

**2. Forms**

Use Property Coverage Extension Amendatory Endorsement – Agricultural, **FM 600.0.1321**. Use this endorsement to extend or revise coverage provided by the Property Coverage Extension Endorsement (**FM 600.0.1284**) and the Building and Personal Property Coverage Form (**CP 00 10**).

Attach to commercial agricultural risks only when the policy also contains all of the following:

- a. Property Coverage Extension Endorsement (**FM 600.0.1284**);
- b. One (1) of the following Supplemental Schedules:
  - (1) **FM 600.0.1285** (Basic);
  - (2) **FM 600.0.1286** (Deluxe); or
  - (3) **FM 600.0.1287** (Premier);that provides a summary of coverage and limits;
- c. ISO Building and Personal Property Coverage Form (**CP 00 10**);
- d. ISO Business Income (and Extra Expense) Coverage Form (**CP 00 30**); and
- e. ISO Causes of Loss – Special Form (**CP 10 30**).

**3. Premium**

A flat premium charge of \$250 applies to the Property Coverage Extension Amendatory Endorsement – Agricultural, **FM 600.0.1321**.

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**RULE 10058. CRAFT BEVERAGE PROGRAM**

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**A. Property Coverage Extension Endorsement****1. Description**

The Property Coverage Extension Endorsement is a coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package policies (CMP) and / or Commercial Monoline policies (Fire). Coverage applies for each Coverage Extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on a separate Premier Supplemental Schedule designed for brewery and distillery risks, as described below.

**2. Forms**

Attach **FM 600.0.1284**:

- a. When the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). It extends or broadens coverage provided by the ISO Property forms.
- b. In conjunction with the Fairmont Craft Beverage Property Coverage Extension Endorsement Supplemental Schedule – Premier Form, **FM 600.0.1323**.

**B. Fairmont Craft Beverage Property Extension Endorsement Supplemental Schedule - Premier Form****1. Description**

This Premier Supplemental Schedule provides a summary of coverage and applicable limits that apply to brewery and distillery risks.

**2. Forms**

Attach **FM 600.0.1323** in conjunction with the Property Coverage Extension Endorsement, **FM 600.0.1284**, to provide broadened coverage to brewery and distillery risks.

**C. Processing Water Coverage Endorsement****1. Description**

This endorsement covers the cost of replacing processing water that is contained in above-ground storage tanks, processing equipment, or above-ground piping at the described premises, when the water is lost or rendered useless due to a covered cause of loss to such storage tanks, processing equipment, or piping. This endorsement provides up to a \$50,000 limit of insurance.

This is an optional endorsement available for use on brewery and distillery risks. No additional premium charge applies, as the exposure is contemplated in the Fairmont Craft Beverage Property Coverage Extension Endorsement Supplemental Schedule – Premier Form, **FM 600.0.1323**.

**D. Premium**

The Fairmont Craft Beverage Property Coverage Extension Endorsement Supplemental Schedule – Premier Form, **FM 600.0.1323**, used in conjunction with the Property Coverage Extension Endorsement, **FM 600.0.1284**, is subject to a premium charge of 6% of the total property premium, a minimum of \$800 and a maximum premium of \$6,000.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

Table of Premium Changes

Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Craft Beverage Premier	<b>FM 600.0.1323</b>	6.0%	\$800	\$6,000
Processing Water Coverage Endorsement	<b>FM 600.0.1324</b>	Included	Included	Included

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 95159. HOTEL SEGMENT PROPERTY COVERAGE**


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**A. Hotel Coverage Enhancement Endorsement****1. Description**

The Hotel Coverage Enhancement Endorsement, **FM 600.0.1300**, is an optional coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

Coverage applies for each Coverage Enhancement included in the endorsement. The applicable limits of insurance are shown in the included Schedule and will vary depending upon which of the four (4) coverage options was selected by the insured. Option 1 offers lower limits, while Options 2, 3 and 4 offer somewhat higher limits.

**2. Eligibility**

Attach to hotel risks when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).

**3. Form**

Use Hotel Coverage Enhancement Endorsement, **FM 600.0.1300**. This endorsement extends or broadens coverage provided by the ISO Property forms.

**4. Premium Determination**

The premium charge for the Hotel Coverage Enhancement Endorsement, **FM 600.0.1300**, is a flat charge, as shown in **Table 95.A.4.** below. This charge will vary, depending on the coverage option selected.

The premium is not subject to modification. However, it is subject to the policy deductible and the corresponding deductible modification factor that would apply.

<b>Coverage</b>	Option 1	Option 2	Option 3	Option 4
<b>Premium Charge</b>	\$1,000	\$1,500	\$2,000	\$2,500

**Table 95.A.4. Coverage Options and Premiums**

**B. Bed Bug Remediation – Limited Coverage****1. Description**

The Bed Bug Remediation – Limited Coverage Endorsement, **FM 600.0.1301**, is an optional endorsement that provides limited coverage loss or damage associated with bed bug infestations. It applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline policies (Fire).

Coverage is subject to an annual aggregate Limit of Insurance, which is shown in the endorsement Schedule. Available Limit of Insurance options are \$5,000, \$7,500 and \$10,000, subject to a \$1,000 deductible per bed bug infestation.

**2. Form**

Use the Bed Bug Remediation – Limited Coverage, **FM 600.0.1301**. This endorsement extends or broadens coverage provided by the ISO Property forms.

**3. Eligibility**

Attach the Bed Bug Remediation – Limited Coverage endorsement to hotel risks when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**) and the Causes of Loss – Special Form (**CP 10 30**).

**4. Premium Determination**

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

The premium charge for the Bed Bug Remediation – Limited Coverage endorsement, **FM 600.0.1301**, will vary depending upon the Limit of Insurance option selected and the number of rooms within the hotel.

**a. For Hotels With 200 or Fewer Rooms**

Multiply the number of rooms by the per room charge shown in **Table 95.B.4.**, subject to the minimum premium shown.

**b. For Hotels With 201 or More Rooms**

A flat maximum premium charge will apply, based on the Limit of Insurance selected, as shown in **Table 95.B.4.**

<b>Limit of Insurance</b>	<b>\$5,000</b>	<b>\$7,500</b>	<b>\$10,000</b>
<b>Per Room Charge</b>	\$2.50	\$3.75	\$5.00
<b>Minimum Premium</b>	\$100	\$150	\$200
<b>Maximum Premium</b>	\$500	\$750	\$1,000

**Table 95.B.4. Limit Options Per Room Charges**

**5. Deductible**

A standard deductible of \$1,000 applies to the selected Limit of Insurance option for bed bug remediation coverage. This deductible is separate from any other deductible that may apply under the policy. No other deductible options are available.

**6. Rate Modification**

None apply. Premium associated with bed bug remediation coverage is not subject to modification.

**C. Outdoor Swimming Pool Coverage Endorsement**

**1. Description**

The Outdoor Swimming Pool Coverage Endorsement, **FM 600.0.1313**, is an optional endorsement that provides coverage enhancements to hotel risks when the policy covers all building and business personal property of the insured. It applies to and modifies the Property section of Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

**2. Form**

Use Outdoor Swimming Pool Coverage Endorsement, **FM 600.0.1313**. This endorsement extends or broadens coverage provided by the ISO Property forms to cover outdoor, in-ground swimming pools and/or hot tubs only.

**3. Eligibility**

Attach the Outdoor Swimming Pool Coverage Endorsement to any hotel risk when the policy also contains the Building and Personal Property Coverage Form (**CP 00 10**). However, coverage under this endorsement is subject to the Causes of Loss – Basic Form (**CP 10 10**) only, despite any other Causes of Loss Form that might apply to the policy. When attached, the Outdoor Swimming Pool Coverage Endorsement applies to outdoor, in-ground swimming pools and/or hot tubs only.

**Ineligible Risks**

This endorsement does not apply when coverage is provided for one (1) to four (4) family dwellings, including such dwellings that are incidental to hotel risks.



COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**4. Premium Determination**

Use CSP Class Code 1190 applicable to property described and covered under this endorsement.

- a. For Basic Group I Causes of Loss - Rate using the Basic Group I loss cost that applies to SWIMMING POOLS IN THE OPEN – IN GROUND (CSP 1190) based on public protection and found under ISO Multistate Rule **85.L.3.** Special Class – Loss Costs of the Loss Costs/Rates section of the ISO Division Five Commercial Lines Manual.
- b. For Basic Group II Causes of Loss – Refer to Multistate Rule 85.L.3. Special Class – Loss Costs in the Loss Cost/Rates section to obtain the BG II symbol that applies to SWIMMING POOLS IN THE OPEN – IN GROUND (CSP 1190). Based on this symbol, rate each pool using the BG II loss cost shown under Rule **70.E.2.e.** of the State Exception Pages.

**5. Deductible**

A minimum deductible of \$2,500 applies to the Outdoor Swimming Pool Coverage Endorsement. For applicable deductible factors or higher deductibles, refer to Rule 81. in the ISO State Exception Pages of the Division Five Commercial Lines Manual.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 94160. GOLD CHOICE PROPERTY COVERAGE ENHANCEMENT ENDORSEMENT**


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**A. Description**

The Gold Choice Property Coverage Enhancement Endorsement provides coverage enhancements to an insured's existing Commercial Property insurance program, which are generally only available by separate endorsement. This endorsement is attached at the insured's option when broader coverage is desired, subject to a flat premium charge.

**B. Eligibility**

1. Attach only to policies that also contain the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**).
2. Applies to and modifies Commercial Package policies (CMP) and/or Commercial Monoline Property policies (Fire).

**C. Coverage**

1. Offers the insured coverage enhancements that are "included" as part of an automatic blanket (or basket aggregate) limit of \$250,000, unless one of the higher limit options is selected by the insured. The available basket aggregate limit options are \$250,000 (automatic), \$500,000 or \$1,000,000 for select coverage described in the endorsement's Section I Schedule. The insured selects the desired limit option, subject to a nominal premium charge. (Note: see the Premium Determination rule below).
2. In addition to the automatic blanket limit, the endorsement offers additional coverage enhancements that either modify or are in addition to the coverage granted under the Building and Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). The limits offered replace, add to or increase the limits provided by such Coverage Forms. In addition, the endorsement includes some new coverage and limits not currently provided by the applicable Coverage Forms. These additional coverage enhancements apply for each enhancement shown in the endorsement's Section I Schedule of Insurance, unless specifically excluded, as indicated by a checkmark in the 'Coverage Excluded' box in the last column of the Section I Schedule. The underwriter may opt to exclude a particular Coverage Enhancement for reasons that may involve a risk with existing coverage elsewhere or a risk with exposures greater than those anticipated by this endorsement.

**D. Form**

Use Gold Choice Property Coverage Enhancement Endorsement, **FM 600.0.1278**.

**E. Premium Determination**

The premium charge for this endorsement is a flat, annual premium charge, based on the following available basket aggregate limit options. The insured selects the desired limit option. Premium is not adjusted by Package Modification, Experience or Schedule Rating (IRPM).

<b>Automatic Blanket Limit (Basket Aggregate) - Insured Selects One Only</b>	<b>Annual, Flat Premium Charge</b>
\$250,000	\$250.00
\$500,000	\$500.00
\$1,000,000	\$1,000.00

**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE ~~402~~161. SOCIAL SERVICES AND YOUTH SERVICING ORGANIZATIONS PROGRAM**


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The Social Services And Youth Servicing Organizations Program will utilize forms, rules and rates filed by ISO on the companies' behalf, in addition to companies' rule exceptions and proprietary rates and forms for Commercial Property and Commercial Package programs, subject to amendments or exceptions below:

The Social Services and Youth Servicing Organizations Program is applicable, but not limited to, YMCAs, Jewish Community Centers and nature-based camps. Broadened coverage may be provided using the forms described below.

**A. Social Services And Youth Servicing Organizations Property Coverage Extension Endorsement, MP 04 001**

- 1. Description:** This endorsement is a coverage broadening endorsement. It provides coverage enhancements to an insured's existing insurance program. It applies to and modifies the Property portion of Commercial Package policies (CMP) and / or Commercial Monoline property policies (Fire).

Coverage applies for each Coverage Extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on one (1) of three (3) separate Supplemental Schedules designed to fit risks with varying coverage needs. The Supplemental Schedule must be used in conjunction with the Coverage Extension Endorsement. Limits provided will vary, depending on which Supplemental Schedule is selected.

**2. Forms:**

**a. Attach MP 04 001 Only:**

- (1) When the policy also contains the Building And Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). It extends or broadens coverage provided by the ISO Property forms.

- (2) In conjunction with one of three (3) Social Services Property Coverage Extension Endorsement Supplemental Schedules described under Rule **2.b.** below.

- b. Supplemental Schedules:** There are three (3) Supplemental Schedules to choose from, depending on the type of risk insured. Each Schedule provides the same additional coverage and coverage extensions; however, the amount of coverage or limit indicated may vary for select coverage. The Supplemental Schedule **MUST** be used in conjunction with the Social Services And Youth Servicing Organizations Property Coverage Extension Endorsement, **MP 04 001**.

Attach only one (1) of the following Supplemental Schedules:

- (1) **MP 06 001** - Basic Supplemental Schedule This Schedule is mandatory, unless the insured selects one of the Supplemental Schedules. Use to provide a basic level of coverage to commercial property risks.
- (2) **MP 06 002** - Deluxe Supplemental Schedule. This Schedule is optional, if selected by the insured. Use to provide higher limits, for select coverage, beyond the limits indicated in the Basic Supplemental Schedule.
- (3) **MP 06 003** - Premier Supplemental Schedule. This Schedule is optional, if selected by the insured. Use to provide higher limits, for select coverage, beyond the limits indicated in the Deluxe Supplemental Schedule.

- 3. Premium:** The premium charge for the Social Services And Youth Servicing Property Coverage Extension Endorsement, **MP 04 001**, is based on a percentage of the total property premium and subject to a minimum premium and maximum premium, as shown in the table below. The premium charge will vary, depending on the Supplemental Schedule selected in Rule **2.b.** above.

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**COMMERCIAL LINES MANUAL**  
**DIVISION FIVE**  
**FIRE AND ALLIED LINES**  
**EXCEPTION PAGES**  
**UNITED STATES FIRE INSURANCE COMPANY**  
**THE NORTH RIVER INSURANCE COMPANY**  
**CRUM AND FORSTER INDEMNITY COMPANY**

Table of Premium Charges

Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Basic	MP 06 001	4.0%	\$400	\$3000
Deluxe	MP 06 002	5.0%	\$600	\$3500
Premier	MP 06 003	5.5%	\$750	\$5000

**B. Food Contamination and Communicable Disease Endorsement, MP 04 002**

- Description:** This optional endorsement covers loss of business income as a result of business closure due to food contamination or communicable disease, additional advertising expenses, expenses to clean equipment and replace contaminated food, cost of medical treatment for employees and reimbursement of medical expenses incurred by guests and patrons. This endorsement provides a \$100,000 per occurrence limit, subject to a \$250,000 annual aggregate limit.
- Form:** Attach **MP 04 002** in conjunction with the Social Services And Youth Servicing Property Coverage Extension Endorsement, **MP 04 001**, to provide broadened loss of business income coverage due to food contamination and communicable disease to social services risks.
- Premium Determination:** There is no premium charge associated with this coverage for the \$100,000 per occurrence limit / \$250,000 annual aggregate. Optional higher limits are available for an additional premium charge as follows:

Optional Increased Limits		Premium Charge (Multiply rate per \$100 of occurrence limit)
Per Occurrence	Annual Aggregate	
\$250,000	\$500,000	\$0.50
\$500,000	\$500,000	\$0.50

**C. Off-premises After School Programs**

- Description:** This optional endorsement provides Extra Expense coverage as a result of the necessary suspension of the insured's after school program(s) due to direct physical loss or damage to non-owned, unscheduled locations at which the insured operates their after school program(s). The endorsement provides a \$5,000 limit for each non-owned, unscheduled locations at which the insured operates their after school program(s). The endorsement provides a \$5,000 limit for each non-owned, unscheduled location at which the insured operates an after school program.
- Form:** Attach **MP 04 003** in conjunction with the Social Services And Youth Servicing Organizations – Property Coverage Extension Endorsement, **MP 04 001**, to provide this off-premises after school program coverage.
- Premium Determination:** There is no premium charge associated with this coverage, and will only be attached to risks with the exposure covered by this endorsement (off-premises after school programs).

**D. Pool Rental Cancellation**

- Description:** This optional endorsement covers loss of Pool Rental Value due to an insured's pool rental agreement being cancelled due to failure of the insured to have a qualified lifeguard for every 25 pool participants. The endorsement provides a \$1,000 limit for all expenses in any one policy year.

COUNTRYWIDE

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

2. **Form:** Attach **MP 04 004** in conjunction with the Social Services And Youth Servicing Organizations – Property Coverage Extension Endorsement, **MP 04 001**, to provide this pool rental cancellation coverage.
3. **Premium Determination:** There is no premium charge associated with this coverage, and will only be attached to risks with the exposure covered by this endorsement (pool rental agreements in place).

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

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**RULE 10362. MANUFACTURERS' PROPERTY COVERAGE EXTENSION ENDORSEMENT**


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- A. Description:** The Manufacturers' Property Coverage Extension Endorsement, **MF 04 001**, is a coverage broadening endorsement intended for use on manufacturing risks where we also write the property coverage. It modifies the Property portion of Commercial Package policies (CMP) and / or Commercial Monoline Property policies (Fire). Attachment is at the option of the insured.
- Coverage applies for each coverage extension provided in the endorsement. No limits of insurance are shown within this endorsement. Instead, the applicable limit of insurance for each Coverage Extension is shown on one of two separate supplemental schedules designed to fit risks with varying coverage needs. The supplemental schedule must be used in conjunction with this endorsement. Limits provided will vary, depending on which supplemental schedule is selected.
- B. Forms:**
1. Attach Manufacturers' Property Coverage Extension Endorsement, **MF 04 001** only:
    - (a) When the policy also contains the Building And Personal Property Coverage Form (**CP 00 10**), the Business Income (and Extra Expense) Coverage Form (**CP 00 30**) and the Causes of Loss – Special Form (**CP 10 30**). It extends or broadens coverage provided by the ISO Property forms.
    - (b) In conjunction with one of two Manufacturers' Property Coverage Extension Endorsement Supplemental Schedules described under Rule **B.2.** below.
  2. **Supplemental Schedules:** There are two supplemental schedules to choose from, depending on the type of risk insured. Each schedule provides the same additional coverage and coverage extensions; however, the amount of coverage or limit indicated may vary for select coverage. The supplemental schedule **MUST** be used in conjunction with the Manufacturers' Property Coverage Extension Endorsement, **MF 04 001**.  
Attach only one (1) of the following Supplemental Schedules:
    - (a) **MF 06 001** - Deluxe Supplemental Schedule This schedule is standard, unless the insured selects the optional Premier Supplemental Schedule. Use to provide higher limits, for select coverage, to commercial property risks.
    - (b) **MF 06 002** - Premier Supplemental Schedule. This schedule is optional, if selected by the insured. Use this schedule to provide higher limits, for select coverage, beyond the limits indicated in the Deluxe Supplemental Schedule.
- C. Premium Determination:** The premium charge for the Manufacturers' Property Coverage Extension Endorsement, **MF 04 001**, is based on a percentage of the total property premium and subject to a minimum premium and maximum premium, as shown in **Table 103C. Premium Charges**. The premium charge will vary, depending on the Supplemental Schedule selected in Rule **103. B.2.**

**Table 103.C. Premium Charges**

Supplemental Schedule		Premium Charge (% of Property Premium)	Minimum Premium	Maximum Premium
Deluxe	MF 06 001	5.0%	\$600	\$3500
Premier	MF 06 002	5.5%	\$750	\$5000

- D. Optional Higher Limits:** Higher coverage limits should be calculated using available ISO rates or loss costs for the following ISO rules found under CLM Division Three and Division Five. Premium should be charged only on the additional limits above the limits provided by the Manufacturers' Property Coverage Extension Endorsement.

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

**Under CLM – Division Three – Crime**

Note: The Manufacturers' Property Coverage Extension Endorsement extends the property coverage to include limited crime coverages. Therefore, for higher limits on the following coverage, refer to the ISO CLM Division Three in lieu of Division Five, which applies to Commercial Property:

- Employee Theft Insuring Agreement, ISO Rule 27.B.
- Forgery Or Alteration Insuring Agreement, ISO Rule 28.B.
- Inside The Premises – Theft of Money And Securities Insuring Agreement, ISO Rule 29.B.
- Outside the Premises Insuring Agreement, ISO Rule 31.B.
- Computer And Funds Transfer Fraud Insuring Agreement, ISO Rule 32.B.
- Money Orders And Counterfeit Money Insuring Agreement, ISO Rule 34.B.

**Under CLM – Division Five – Building and Personal Property:**

- Outdoor Signs, ISO Rule 30.C.3 and 31.C.4.
- Personal Property of Others, ISO Rule 31.C.2.
- Brands and Labels, ISO Rule 38.C.
- Ordinance or Law Coverage, ISO Rule 38.D (State Exception, if applicable)
- Pollutant Cleanup and Removal, ISO Rule 38.E.
- Debris Removal, ISO Rule 38.F.
- Newly Acquired Property – Increased Limit, ISO Rule 38.K.
- Utility Services, ISO Rule 38.L.
- Outdoor Property – Trees, Shrubs, Plants, ISO Rule 38.O.
- Spoilage Coverage, ISO Rule 38.T.
- Fire Department Service Charge – Increased Limit, ISO Rule 38.X.
- Leasehold Interest, ISO Rule 65

**Under CLM – Division Five – Business Income**

- Dependent Properties, ISO Rule 51.B.
- Utility Services, ISO Rule 54.B.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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**RULE 10463. UTILITY SERVICES – TIME ELEMENT WITH OPTIONAL WAITING PERIODS  
ENDORSEMENT**

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**A. Description Of Coverage**

Time Element Coverage may be extended to cover loss at the described premises resulting from the failure of utility services. This endorsement offers optional waiting periods.

**B. Form**

Use Utility Services – Time Element Coverage With Optional Waiting Periods Endorsement **MF 04 023**.

**C. Rules**

1. Use Endorsement **MF 04 023** when Utility Services – Time Element coverage ~~is~~ attached to the Coverage Part such as when it is provided under an extension endorsement.
2. Do not use **MF 04 023** when **CP 15 45** is attached to the Coverage Part.
3. Use the Schedule in Endorsement **MF 04 023** to indicate the following property:
  - a. Properties providing water supply, wastewater removal, communication supply and/or power supply services;
  - b. Overhead power transmission and/or overhead communication lines.
4. For each described premises at which coverage applies, show the following in the Schedule:
  - a. A limit of insurance. This limit of insurance is the only limit of insurance applicable to coverage under Endorsement **MF 04 023**; and
  - b. Enter the applicable waiting period for Business Income. Leave blank if no waiting period applies to Business Income, or if Business Income coverage does not apply, (Business Income coverage does not apply when Endorsement **MF 04 023** is used with Extra Expense Coverage Form **CP 00 50**). Refer to Paragraph **D.2.** for Business Income waiting period options.

**D. Rate Modification**

1. Refer to ISO Rule **54.B.4.a.** through **54.B.4.d.** and paragraph **2.** below for rate modification.
2. Business Income Waiting Period

The Utility Service rates reflect a Business Income waiting period of 72 hours. If a different Business Income waiting period applies, or if no waiting period applies to Business Income, modify the rates by the appropriate factor in the following table:

<u>Business Income Waiting Period</u>	<u>Factors</u>
48 hours	1.05
24 hours	1.10
12 hours	1.12
No Business Income Waiting Period	1.15

**Table 16394.D.2. Business Income Waiting Period Factors**



COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**E. Premium Determination**

For each described premises at which coverage applies, multiply the applicable rate, as determined from ISO Rule **54.B.4.b.** through **54.B.4.d.** and Paragraph **D.2.** above, by the limit of insurance shown in the Schedule of Endorsement **MF 04 023**. Do not include any other Utility Services – Time Element limits provided elsewhere in the policy, such as in an extension endorsement.

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**RULE 10564. UTILITY SERVICES – DIRECT DAMAGE – ALTERNATE DEDUCTIBLE OPTION  
ENDORSEMENT**

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**A. Description of Coverage**

Property Damage Coverage may be extended to cover loss of or damage to covered property on the described premises resulting from the failure of utility service relating to:

1. Properties providing water, communication and power supply services.
2. Overhead power transmission and communication lines.

**B. Form**

Use Utility Services – Direct Damage – Alternate Deductible Option Endorsement **MF 04 024**.

**C. Eligibility**

Endorsement **MF 04 024** is designed to be used only when:

1. Coverage is written for the Grocers' program only; and
2. The deductible desired for Utility Services coverage is different from the Policy deductible.

**D. Rules**

Coverage for Utility Services may be written to apply to all covered property or only to certain covered property. In the Schedule of Endorsement **MF 04 024**, identify the property to which Utility Services coverage applies and identify the service(s) covered. Utility Services coverage may be written:

1. Subject to the limit of insurance otherwise applicable to the property. In such case, do not enter a Utility Service Limit of Insurance in Endorsement **MF 04 024**; or
2. At a sub-limit, to be identified as the Utility Services Limit of Insurance. Enter the Utility Services Limit(s) of Insurance in the Schedule of Endorsement **MF 04 024**.

**E. Premium Determination**

Utility Services rates are provided in the multistate rates (refer to Rule **38.L.4.**). Make a charge for each service for which coverage applies – water supply, communication supply and/or power supply. If coverage for overhead power lines and/or overhead communication lines applies, add the appropriate charge(s) to the Utility Services rates.

Multiply the Utility Services rate(s) by the higher deductible option factors (provided in **Table 81.DD.3. Deductible Factors** in the company exceptions) and by the applicable limit of Insurance to determine the premium.

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**RULE 1065. SPOILAGE COVERAGE – ALTERNATE DEDUCTIBLE OPTION ENDORSEMENT**

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**A. Description of Coverage**

Direct damage may be extended on the Building And Personal Property Coverage Form **CP 00 10** and Condominium Commercial Unit-Owners Coverage Form **CP 00 18** for spoilage of perishable stock caused by one or both of the following:

1. Breakdown or Contamination, meaning change in temperature or humidity resulting from mechanical breakdown or failure of equipment, including contamination of stock by the refrigerant.
2. Power Outage, meaning change in temperature or humidity resulting from on or off-premises power failure.

**B. Form**

Use Spoilage Coverage – Alternate Deductible Option Endorsement **MF 04 025**.

**C. Eligibility**

Endorsement **MF 04 025** is designed to be used only when:

1. Coverage is written for the Grocers' program only; and
2. The deductible desired for Spoilage coverage is higher than the standard deductible as referenced in Rule **33.A**.

**D. Rules****1. Schedule**

Indicate the following in the Schedule of Endorsement **MF 04 025**:

- a. The covered causes of loss: Breakdown or Contamination, Power Outage, or both, depending on the coverage desired.
- b. The applicable limit of insurance for Spoilage Coverage.
- c. The deductible for Spoilage Coverage. (Refer to Paragraph 4.)
- d. The existence of Refrigeration Maintenance Agreement(s), if applicable. This condition may apply when:
  - (1) Breakdown or Contamination is a covered cause of loss in the policy; and
  - (2) Any such agreement is provided on refrigeration equipment at the described premises for which rating is given.
- e. Selling Price, if applicable.

**2. Blanket Insurance**

Do not write insurance on a blanket basis.

**3. Coinsurance**

Coinsurance does not apply to Endorsement **MF 04 025**.

**4. Deductible**

- a. Use the higher deductible options as shown in **Table 81.DD.3. Deductible Factors** in the company exceptions.
- b. Deductibles must be higher than the standard deductible as referenced in Rule **33.A**.

**E. Premium Determination****1. Classification**

Refer to Rule **38.T.4.a.** to determine the classification of types of property or occupancy.

**2. Rates**

- a. Select the applicable rate for each type of property or occupancy specified in the Schedule using the tables shown in the multistate rates. Refer to Rule **38.T.4.b.(1)**.
- b. If Selling Price is applicable, multiply the Spoilage Coverage rate by 1.40.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**3. Premium Calculation**

Multiply the rate by the higher deductible option factors (provided in **Table 81.DD.3. Deductible Factors** in the company exceptions) and by the applicable limit of Insurance (in hundreds) to determine the premium.

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**RULE ~~107~~66. MISCELLANEOUS UNNAMED LOCATION COVERAGE EXTENSION ENDORSEMENTS**

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**A. Direct Damage****1. Description Of Coverage**

This optional endorsement provides coverage for loss or damage to building(s) and/or business personal property, resulting from a covered cause of loss, located at a miscellaneous unnamed location.

**2. Form**

Use Miscellaneous Unnamed Location Coverage Extension Endorsement **MF 04 021**. This endorsement is to be used with the Building And Personal Property Coverage Form, **CP 00 10** only.

**3. Eligibility**

Endorsement **MF 04 021** is designed to be used only when:

- a. Business interruption coverage applies to the described premises; and
- b. The Basic, Broad and Special Causes Of Loss Forms (**CP 10 10**, **CP 10 20** & **CP 10 30**) apply to the business interruption policy.

**4. Limits Of Insurance**

The limit of insurance under this endorsement is \$250,000 for each building at a miscellaneous unnamed location. The limit of insurance for business personal property is \$100,000 per building at each miscellaneous unnamed location. Higher limits are available, refer to Paragraph **A.5.** below. If flood or earthquake coverage is selected, enter limits that are less than the limits provided for building or business personal property at each miscellaneous unnamed location and the limits provided in the corresponding flood or earthquake coverage.

**5. Premium Determination**

Apply the following procedures to determine the premium for **MF 04 021**.

- a. Use the existing building rate for limits over \$250,000 for building coverage.
- b. Use the existing business personal property rate for limits over \$100,000 for business personal property coverage.

**B. Time Element****1. Description Of Coverage**

This optional endorsement provides coverage for business income and/or extra expense resulting from a suspension of the insured's operations as a result of property damage resulting from a covered cause of loss at a miscellaneous unnamed location.

**2. Form**

Use Business Income Changes – Miscellaneous Unnamed Location Coverage Extension Endorsement **MF 04 022**. This endorsement is to be used with Business Income (And Extra Expense) Coverage Form, **CP 00 30** only.

**3. Eligibility**

Endorsement **MF 04 022** is designed to be used only when:

- a. Business interruption coverage applies to the described premises; and
- b. The Basic, Broad and Special Causes Of Loss Forms (**CP 10 10**, **CP 10 20** & **CP 10 30**) apply to the business interruption policy.

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

**4. Limits Of Insurance**

The limit of insurance under this endorsement for the sum of business income and extra expense incurred is \$100,000 at each miscellaneous unnamed location. Higher limits are available, refer to Paragraph **A.5.** below. If flood or earthquake coverage is selected, enter in a limit that is less than the limit provided for the sum of business income and extra expense incurred at each miscellaneous unnamed location and the limits provided in the corresponding flood or earthquake coverage.

**5. Premium Determination**

Use the existing business interruption rate for limits over \$100,000.

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**RULE ~~10867~~. BUSINESS INCOME CHANGES – INGRESS OR EGRESS COVERAGE**

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**A. Description of Coverage**

This optional endorsement provides coverage for the actual loss of business income and necessary extra expense due to the suspension of the insured's operations which is caused by a tangible obstruction resulting from a covered cause of loss.

**B. Form**

Use Business Income Changes – Ingress Or Egress Additional Coverage Endorsement **MF 04 020**. This endorsement is compatible with Business Income (And Extra Expense) Coverage Form **CP 00 30** only.

**C. Eligibility**

Endorsement **MF 04 020** is designed to be used only when:

1. Business interruption coverage applies to the described premises; and
2. The Basic, Broad and Special Causes Of Loss Forms (**CP 10 10**, **CP 10 20** & **CP 10 30**) apply to the business interruption policy.

**D. Limits of Insurance**

The limit of insurance applicable to endorsement **MF 04 020** is the applicable business interruption limit shown in the Declarations. The coverage provided under **MF 04 020** is not additional insurance.

**E. Premium Determination**

Apply the following procedures to determine the premium for **MF 04 020**.

1. Determine the business interruption limit of insurance shown in the Declarations.
2. Charge \$0.05 per \$100 of the business interruption limit shown in the Declarations.

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**RULE 10968. WINDSTORM OR HAIL PERCENTAGE DEDUCTIBLES WITH A MINIMUM DEDUCTIBLE**

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**A. Description**

**1. Percentage Deductibles**

The following deductibles may be used for the Windstorm or Hail cause of loss:

- a. 1% Deductible
- b. 2% Deductible
- c. 5% Deductible

**2. Specific Insurance**

The dollar amount of the deductible will be equal to 1%, 2% or 5% of the Limit(s) of Insurance applicable to the property that has sustained loss or damage. However, the deductible as calculated will be subject to a minimum deductible that is equal to the policy deductible (or the deductible set for fire).

**3. Blanket Insurance**

The dollar amount of the deductible will be equal to 1%, 2% or 5% of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with the company. However, the deductible as calculated will be subject to a minimum deductible that is equal to the policy deductible (or the deductible set for fire).

**4. Value Reporting Forms and Builders Risk Insurance**

For value reporting forms, the calculation of the deductible amount is based on reported values. There are variations for the situation where loss occurs prior to the first report, and for reports of value which show less than full values. If coverage is written blanket under a reporting form, the basis of the calculation is value at time of loss.

For builders risk insurance, the calculation of the deductible amount is based on value at time of loss.

But, the deductible as calculated will be subject a minimum deductible that is equal to the policy deductible (or the deductible set for fire).

**B. Form**

Use Windstorm or Hail Percentage Deductible (Subject To a Minimum Deductible) Form **MF 03 005**. This form may be used in place of **CP 03 21**. **MF 03 005** should not be used in conjunction with **CP 03 21**.

**C. Rules**

- 1. This is an optional endorsement and is to be used for accounts that carry a \$1,000 policy deductible or greater. The insured has the option to opt in and/or opt out.
- 2. The Windstorm or Hail percentage deductibles apply whenever there is an occurrence of Windstorm or Hail.
- 3. The Windstorm or Hail deductible is calculated separately (subject to the minimum deductible) for, and applies separately to:
  - a. Each building, if two or more buildings sustain loss or damage;
  - b. The building and to personal property in that building, if both sustain loss or damage;
  - c. Personal property at each building, if personal property at two or more buildings sustains loss or damage;
  - d. Personal property in the open.
- 4. The Statement of Values for a blanket policy should contain sufficient detail – value of each building, value of personal property at each building, value of personal property in the open – to complement the procedure set forth in the **MF 03 005**.



**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

5. Percentage deductibles may vary by location (subject to the minimum deductible). At a location, all covered property must be written using the same percentage deductible
6. If some property at a location is written under a blanket limit of insurance and other property at the same location is written under a specific limit of insurance, all covered property at that location must be written using the same percentage deductible.
7. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value(s) of the property at the time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises (subject to the minimum deductible).

**D. Rate Modification**

1. Multiply the Group II rate by the appropriate factor shown in the state exceptions for Rule **82.D**.
2. Multiply the Group II rate by the appropriate factor shown in the state exceptions for Rule **81.E**. in place of the factor shown under Rule **82.D**. when calculation of the percentage deductible results in a figure that is below the minimum deductible. Or, use the factor (from either rule) that provides a greater deductible credit.

**E. Ineligible Coverage Forms**

1. Leasehold Interest
2. Business Income
3. Extra Expense
4. Legal Liability
5. Mortgageholders Errors and Omissions

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**RULE ~~14069~~. BLANKET LIMIT OF INSURANCE PER LOCATION ENDORSEMENT**

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**A. Description of Coverage**

This is an optional endorsement that may be used to blanket various types of Covered Property per location. It also allows you to blanket Time Element coverage per location as well. Please refer to the endorsement for further details.

**B. Form**

Use Blanket Limit of Insurance Per Location Endorsement **MF 25 005**. If there is not enough room in the Schedule of Endorsement **MF 25 005**, more locations can be accommodated by using Blanket Limit of Insurance Per Location – Supplemental Schedule **MF 06 006**.

**C. Premium Determination**

Refer to blanket rating instructions as described in Rule **34**.

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**RULE ~~144~~70. COVERED PROPERTY CHANGES – STOCK ENDORSEMENT**

---

**A. Description of Coverage**

This is an optional endorsement that allows you to move stock out of Your Business Personal Property, as described in Paragraph **A.1.b.** of **CP 00 10** and moves it to a separate line item of Covered Property. This endorsement also allows you to offer a separate Limit of Insurance for stock.

**B. Form**

Use Covered Property Changes – Stock Endorsement **MF 24 003**.

**C. Premium Determination**

Refer to ISO Rule **31.** for rating.

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**RULE 14271. SCHEDULE ADDENDUM**

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**A. Description**

This optional addendum is designed to be attached to any policy, at policy inception only, when additional space is needed for information listed on a schedule of an endorsement that is attached to the policy. This addendum acts as an overflow page. Do not use this to add or alter any coverage terms.

**B. Rules**

Attach **MI 99 003**, if needed.

**C. Premium Determination**

There is no premium charge for this addendum.

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**RULE 1~~43~~72. EARLIER NOTICE OF CANCELLATION OR NONRENEWAL WITH A COURTESY  
NOTICE TO A THIRD PARTY**

---

**A. Description**

This is an optional endorsement that allows the insurer to provide an earlier notice of cancellation or nonrenewal to the insured. The insurer will endeavor to provide the same notice to the scheduled third party. Any applicable state cancellation endorsement must still be attached to the policy.

**B. Rules**

Attach **MI 02 052**. The Schedule of the endorsement must be completed.

**C. Premium Determination**

There is no premium charge for this endorsement.

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**RULE 1473. THIRD PARTY NOTICE OF CANCELLATION OR NONRENEWAL**

---

**A. Description**

This is an optional endorsement that gives the insurer the duty to provide a notice of cancellation or nonrenewal to a Third Party shown in the Schedule. Any applicable state cancellation endorsement must still be attached to the policy.

**B. Rules**

Attach **MI 02 051**. The Schedule of the endorsement must be completed.

**C. Premium Determination**

There is no premium charge for this endorsement.

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**RULE 3151. MULTIPLE LOCATION PREMIUM AND DISPERSION CREDIT PLAN**

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**A. Explanation**

This Plan develops a special rating credit in recognition of dispersal of risk and loss experience. It may be applied to:

1. Buildings only;
2. Personal property only;
3. Combined buildings and personal property; or
4. Business income in combination with the buildings and/or personal property.

**B. Coinsurance**

Minimum 90% or full reporting clause, except 25% for sprinkler leakage.

**C. Rules**

1. Who may be insured:
  - a. If there is substantially common ownership, actual management and operating control by the named interests:
    - (1) An individual, partnership, factor or corporation, or any combination of these.
    - (2) Federal, state, county or municipal governments and their divisions or agencies.
    - (3) Schools, churches, hospitals and similar organizations.
  - b. Cooperative organizations or associations incorporated under the laws of their respective states which have title to the property covered.  
(Note: Nothing in this rule is to be construed as making eligible for coverage cooperative organizations or associations wherein title to the property remains in the individual members of the cooperative organization or association.)
  - c. A single lessee, where all the property covered is leased and the lease conditions require the lessee to maintain the insurance.
  - d. The same owner(s) or lessee(s) (named as insureds), whose respective interests are identical in each and every property covered, provided all such property is owned, or leased as described in **c.** above. This paragraph may be applicable to property held in trust and to any other situation where the legal beneficial interests in property are separately held, subject to the preceding sentence.
  - e. A single individual, or a husband and wife, or a corporation, or a partnership named as insured and herein called the parent, having substantial ownership, actual management and operating control of one or more corporations or partnerships named as all of the property covered is owned, or leased as described in **c.** above, by one or more of the subsidiaries or by one or more of the subsidiaries and the parent, regardless of whether the interests of the subsidiaries and the parent are identical in each and every such property.

**D. General**

1. The credits developed herein, are mandatory with respect to coverage for Building(s), Contents, Business Personal Property, and other forms of property insurance.
2. The credits of this Plan apply to all premiums applicable to property coverages and insured perils premium of \$2,500 or more.  
(Note: \$2,500 qualifying premium is the premium after application of all other applicable credits.)

**E. Eligibility**

An account may be subject to the credit provisions of this Plan if it comprises three or more locations, provided the basic premiums exceed \$2,500 per year; and

1. The sum of the values elsewhere than at the principal location amounts to as much as 10% of the total values at all locations; or

**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

2. The value at any one location other than the principal location amounts to as much as \$50,000.  
A seasonal location shall not be considered as a qualifying location.

**F.** Definition of location is defined in Rule 23., Fire & Allied Lines, Division Five, Commercial Lines Manual.

**G. Ineligibility**

**1. Properties**

- a. Buildings in the course of construction;
- b. Dwellings, unless insured as part of a risk otherwise eligible under this Plan, or if part of an apartment or condominium complex;
- c. Farm property;
- d. Railroad property;
- e. Any risk rated under the following or any other plan providing rate credits recognizing premium size, risk dispersal or account loss ratio:
  - (1) Petroleum Properties Schedule;
  - (2) Petroleum Plants Schedule;
  - (3) Public Utility Electric Generating Stations Schedule;
  - (4) Public Utility Natural Gas Pumping Station;
  - (5) Rating Plan for Highly Protected or Superior Risks; and
- f. Lumber yards.

**2. Business Income**

Dependent locations whose business income would be affected by a loss to another location upon whose products or services it depends.

**H. Insurance That May Not Be Rated Under This Policy**

1. Burglary;
2. Collapse;
3. Earthquake;
4. Flood; and
5. Water Damage.

(Note: This does not preclude coverage against any of these perils included in any optional named peril or broad perils form.)

**I. Premium subject to credit shall be developed as follows:**

Multiply the value for each item of coverage at each location by the annual base property rates. To this premium, apply any other applicable credit.

1. A minimum of 90% to value for each building and/or contents item of coverage shall apply.
2. Credit under this Plan shall apply multiplicatively after application of all other credit(s).
3. Credit developed under the Plan may be applied to building coverage if written blanket.
4. Credit developed under the Plan shall not apply to contents coverage when written blanket.

**J. To determine the amount of premium and dispersion credit:**

Obtain the applicable credit factor from the table that follows.

1. Total number of locations of risk.
2. Total number of independent locations (with respect to operations) - only needed when applying to Business Income.
3. Total building and personal property values of 1. above.
4. Total building and personal property values for independent locations 2. above - only needed when applying to Business Income.
5. Largest value of any one location of 1. above.



**COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY**

6. Largest value of any one location of independent locations **2.** above - only needed when applying to Business Income.
7. Percent of maximum location to total (divide **5.** by **3.**)
8. Percent of independent locations only maximum location to total (divide **6.** by **4.**) - only needed when applying to Business Income.
9. Determine credit for Building and Personal Property - use **Table 1** based on items **1.** and **7.** above.
10. To determine credit for Business Income - use **Table 1** based on items **2.** and **8.** above.
11. Total three year premiums for F, EC, AOP for Building, Personal Property and Business Income.
12. Total three year losses for F, EC, AOP for Building, Personal Property and Business Income.
13. Three year loss ratio (divide item **12.** by **11.**)
14. Determine Loss Ratio Modifier - use **Table 2** based on item **13.**
15. Building and Personal Property modified credit (multiply **9.** by **14.**) - this credit is applied to Building and Personal Property.
16. Business Income modified credit (multiply **10.** by **14.**) - this credit is applied only to Business Income and only to the eligible independent locations.

**TABLE 1**

**PREMIUM AND DISPERSION CREDIT TABLE  
MAXIMUM PERCENTAGE OF NET AVERAGE VALUE AT ANY ONE LOCATION**

Number of Locations	Less than 21% Credit	21% but less than 31% Credit	31% but less than 41% Credit	41% but less than 51% Credit	51% and over Credit
Less than 3	0.000	0.000	0.000	0.000	0.000
3 - 5	8.000	6.000	3.000	2.000	0.000
6 - 10	19.000	10.000	6.000	4.000	2.000
11 - 15	22.000	12.000	10.000	5.000	3.000
16 - 20	25.000	18.000	12.000	6.000	4.000
21 & over	30.000	20.000	15.000	8.000	5.000

**TABLE 2****LOSS RATIO MODIFIER**

<u>Loss Ratio</u>	<u>Modifier</u>
0 - 15%	1.000
16 - 25%	0.850
26 - 35%	0.750
36 - 45%	0.550
46 - 55%	0.400
56%+	0.200

COMMERCIAL LINES MANUAL  
DIVISION FIVE  
FIRE AND ALLIED LINES  
EXCEPTION PAGES  
UNITED STATES FIRE INSURANCE COMPANY  
THE NORTH RIVER INSURANCE COMPANY  
CRUM AND FORSTER INDEMNITY COMPANY

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LOSS COST MULTIPLIERS

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	<u>COMPANY</u>		
	United States Fire Ins. Co.	The North River Ins. Co.	Crum & Forster Indemnity Co.
<del>TYPES</del>			
<del>Basic Group I</del>	1.455	1.164	1.829
<del>Fire and Allied Lines</del>	0%	-20%	+26%
<del>(deviation %)</del>			
<del>Basic Group II</del>	1.455	1.164	1.829
<del>(deviation %)</del>	0%	-20%	+26%
<del>Glass</del>	1.455	1.164	1.829
<del>(deviation %)</del>	0%	-20%	+26%
<del>All Other</del>	1.455	1.164	1.829
<del>(deviation %)</del>	0%	-20%	+26%
<del>Note:</del> The Standard LCM is: 1.455			

## **Rules Explanatory Memorandum (District of Columbia)**

On behalf of the listed company(ies), we have updated our manual. We are withdrawing Rules that no longer apply or are no longer in use and in a companion Forms filing, we are withdrawing the applicable forms that pertain to these Rules that are being withdrawn. We are also making minor editorial revisions to current Rules along with re-numbering certain ones as well.

We are withdrawing the following Rules (along with their state exception(s) if applicable):

- **Rule 1. Deductible Plan**
- **Rule 4. Public And Institutional Property Plan**
- **Rule 21. Common Policy Conditions**
- **Rule 22. Building And Personal Property Full Value Coverage**
- **Rule 30. Building**
- **Rule 35. Flood Endorsement**
- **Rule 36. Elevator Collision**
- **Rule 38. Partial Proof Of Loss**
- **Rule 38. Ordinance Or Law Coverage**
- **Rule 65. Garagekeepers Coverage**
- **Rule 67. Fuel Oil Dealers Extension Endorsement**
- **Rule 68. Difference In Conditions Coverage**
- **Rule 69. Affinity Group Rule**
- **Rule 72. Causes Of Loss - Special Form**
- **Rule 72. Mold Builders Program**
- **Rule 73. Causes Of Loss - Earthquake Form**
- **Rule 74. Other Causes Of Loss Forms**
- **Rule 75. Earthquake And Volcanic Eruption Endorsement (Sub-Limit Form)**

- **Rule 76. Pizza Hut Restaurant Program**
- **Rule 77. Pollutant Liability Coverage For On Site Pollution**
- **Rule 78. Parking Garage Program**
- **Rule 81. Fraternal Organization Extension Endorsement**
- **Rule 82. Custom Deluxe Coverage Form**
- **Rule 83. Manufacturers Enhancements**
- **Rule 84. Care Providers Protection Program**
- **Rule 86. Utility Property Coverages**
- **Rule 88. Agricultural Special Products**
- **Rule 96. Manufacturers Segment Coverage**
- **Rule 97. Commercial Residential Real Estate Segment**
- **Rule 98. Agricultural Segment**
- **Rule 101. Rural Telecommunications Providers Program**

We are making minor editorial revisions to the following Rules and, if applicable, their state exceptions as well. We have also revised the rule number for certain rules. If a rule number was revised, the prior number is shown below the applicable Rule.

- **Rule 54. Common Time Element Options**
- **Rule 150. Earlier Notice Of Cancellation and Non-Renewal Provided By Us**  
Formerly Rule 89.
- **Rule 151. Multiple Location Premium And Dispersion Credit Plan**  
Formerly Rule 3.
- **Rule 152. Excess Property Insurance**  
Formerly Rule 73.
- **Rule 153. Large Property Rating Plan**  
Formerly Rule 85.

- **Rule 154. Winery Coverage**  
Formerly Rule 90.
- **Rule 155. Gold Equipment Breakdown Coverage Enhancement Endorsement**  
Formerly Rule 92.
- **Rule 156. Property Coverage**  
Formerly Rule 93.
- **Rule 157. Agricultural Property**  
Formerly Rule 99.
- **Rule 158. Craft Beverage Program**  
Formerly Rule 100.
- **Rule 159. Hotel Segment Property Coverage**  
Formerly Rule 95.
- **Rule 160. Gold Choice Property Coverage Enhancement Endorsement**  
Formerly Rule 94.
- **Rule 161. Social Services And Youth Servicing Organizations Program**  
Formerly Rule 102.
- **Rule 162. Manufacturers' Property Coverage Extension Endorsement**  
Formerly Rule 103.
- **Rule 163. Utility Services – Time Element With Optional Waiting Periods Endorsement**  
Formerly Rule 104.
- **Rule 164. Utility Services – Direct Damage – Alternate Deductible Option Endorsement**  
Formerly Rule 105.
- **Rule 165. Spoilage Coverage – Alternate Deductible Option Endorsement**  
Formerly Rule 106.
- **Rule 166. Miscellaneous Unnamed Location Coverage Extension Endorsements**  
Formerly Rule 107.
- **Rule 167. Business Income Changes – Ingress Or Egress Coverage**  
Formerly Rule 108.
- **Rule 168. Windstorm Or Hail Percentage Deductibles With A Minimum Deductible**  
Formerly Rule 109.

- **Rule 169. Blanket Limit Of Insurance Per Location Endorsement**  
Formerly Rule 110.
- **Rule 170. Covered Property Changes**  
Formerly Rule 111.
- **Rule 171. Schedule Addendum**  
Formerly Rule 112.
- **Rule 172. Earlier Notice Of Cancellation Or Nonrenewal With A Courtesy Notice To A Third Party**  
Formerly Rule 113.
- **Rule 173. Third Party Notice Of Cancellation Or Nonrenewal**  
Formerly Rule 114.